

passed some laws that make it possible to deal with communism and subversion here at home. I have been asked about Senator McCARTHY. In a nutshell, while I think his methods have not always been good, I would rather have someone investigating and kicking the Communists out the McCARTHY way than not to have it done at all.

More than 2,200 security risks have been removed from their Federal jobs, and many, many prosecutions and deportations which had been hanging fire for too long a time were carried out. New charges and prosecutions were also quickly disposed of.

The President supported, and the Congress passed, a broadened social-security law.

A far-reaching Federal-aid program has been enacted.

Over 180,000 unnecessary Federal jobs were abolished.

It has moved to get Government out of competition with private business.

Veterans' benefits have been increased and improved.

It provided for an adequate national defense. The armed services and the national defense have been streamlined and strengthened with much waste eliminated.

The President has insisted that outstanding men head up Cabinet posts.

Yes, it appears President Eisenhower will meet about 75 percent of his program during the first 2 years, and that is quite an accomplishment. He has an excellent program—one that is building a stronger America.

He does not want to remake America into a socialistic state with everyone dependent upon the Government. That is why the leftwing group is not supporting him—this group tied up legislation with filibusters in the Senate.

President Eisenhower realizes that no one can repeal the 20th century, yet expansion of Government in business must be halted. He is making a determined effort to get the Government out of business that private enterprise can and will do more efficiently and, at the same time, takes a realistic approach to the fundamental responsibilities which the Government cannot escape in maintaining basic programs for the general good.

#### WASHINGTON'S NEW ATMOSPHERE

There is truly a new atmosphere in Washington—new in recent years but old among American traditions. There has been cooperation with the President—he has not tried to jam legislation down the throat of Congress. Both parties join in passing many measures.

Yes; there is a Christian atmosphere in Washington. You know, there has not been anyone in Washington who has received a mink coat or deep freezer since the Republican 83d Congress came into being. All I can say is thank goodness we have a President who stands four square on the proposition that anyone having a Government job must give full service for the dollar received.

With the record we have compiled it will be most difficult for grafters to label this as a "do-nothing" Congress. They will try, for they do not like the investigations which are uncovering graft, corruption, and communism. They know if this Congress succumbs to those charges, it will mean they will return to power.

#### NO DEPRESSION IN SIGHT

On the national scene everything seems to be in pretty good shape. There was no depression as many antiadministration people almost hopefully predicted. Actually business is good, unemployment is low, and inflation has been stopped—and it did not take a war to pick up the slack.

And on the same subject, in 1950, just before Truman sent troops to Korea without the consent of Congress, about 5 million were unemployed and we were in the midst of a very strong recession, one that had all the markings of the beginning of a depression.

#### AGRICULTURE

On the agricultural scene at that same time prices were down 17 percent, and, to make matters worse, the slide was not being stopped. The new administration, fully realizing all new wealth comes from the soil, took positive action to stop the rapidly descending prices. And it was done without the false supports of a war economy. The bloodshed was an outrageous price, especially since nothing was gained in that stalemated war.

Contrary to the thinking in some quarters, the Republican administration is

convinced that it can make the transition from an economy based on war to a lasting one based on peace without a depression. It will be difficult, but under the leadership of President Eisenhower and the enactment of his program, I feel confident this transition will be made without any financial setbacks. For this reason, the President needs a working majority in Congress.

As long as we continue to work toward a basic farm program, with a foundation of rock rather than sand on which to build our Nation's economy, I feel confident we will have real prosperity. Toward that end, I recommended that allotments be based on bushels rather than acres. We all know it is not the number of acres planted, but rather the number of bushels harvested that count.

#### HOME VISITS

As I have said, I am quite proud of the accomplishments of the Republican 83d Congress. When Congress adjourns, I will be out home attending county fairs and visiting with civic and church groups. I will continue my question-and-answer periods, for I feel this is the best way to learn your views.

I will want to discuss with you, in an honest, forthright manner, just what has been accomplished by the 83d Congress, and you have the right to know my views on all these subjects. The views I state and the votes I have made represent my honest thinking on what was best for the Nation and the people I represent. The only rollcalls I have missed were those which occurred when I attended the funerals of several of my colleagues, including Senators Butler and Griswold.

I regret that I have not been able to be in Nebraska more often, but I felt the legislative schedule here in Washington demanded that I be on the job. Also, as chairman of the Interior and Insular Affairs Committee, 1 of 19 committees, I had to be on the job guiding legislation through Congress.

It will be good to be back home. I am looking forward to seeing as many of you as possible. My schedule will be announced in all the local newspapers and by the radio stations of the district.

## SENATE

FRIDAY, AUGUST 6, 1954

(Legislative day of Thursday, August 5, 1954)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Rev. F. Norman Van Brunt, associate pastor, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Almighty and eternal God, in Thy surety we find our courage and unto Thee would we lift up our hearts. In times that test men's souls, we would quake with fear but for the fact that, as we look unto the hills from whence our help comes, we know Thou wilt keep us and wilt not suffer us to slip or fall.

This day we would renew our trust in Thee, asking only the consciousness of Thy presence to strengthen us in our tasks. Help us ever to serve Thee that Thy will for mankind might be our first desire and all else shall be added unto us. Hear this our prayer, we beseech Thee, in the name of Him who said, *Lo, I am with you always, even unto the end.* Amen.

#### THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 5, 1954, was dispensed with.

#### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting

nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2887. An act for the relief of Hilario Camino Moncado and Diana Toy Moncado; and

H. R. 7745. An act to amend certain provisions of the act of August 2, 1939, commonly known as the Hatch Act, relating to employees of State or local agencies whose activities are financed in whole or in part by loans or grants from the United States.

### ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following a brief executive session and the quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The PRESIDENT pro tempore. Without objection, it is so ordered.

### EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business for action on nominations under "New Reports," passing over the nominations of Harry H. Seylaz, to be postmaster of Lincroft, N. J.; and Mrs. Pearl Carter Pace, of Kentucky, to be a member of the Foreign Claims Settlement Commission.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

### EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees. (For nominations this day received, see the end of Senate proceedings.)

### EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. WILEY, from the Committee on Foreign Relations:

Martin W. Oettershagen, of Illinois, to be Deputy Administrator of the St. Lawrence Seaway Development Corporation;

Henry Cabot Lodge, Jr., of Massachusetts, H. Alexander Smith, of New Jersey, J. W. Fulbright, of Arkansas, C. D. Jackson, of New York, and Charles H. Mahoney, of Michigan, to be representatives of the United States to the Ninth Session of the General Assembly of the United Nations; and

Roger W. Straus, of New York, James J. Wadsworth, of New York, Mrs. Oswald B. Lord, of New York, and Ade M. Johnson, of Washington, to be alternate representatives of the United States to the Ninth Session of the General Assembly of the United Nations.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar under New Reports.

### FEDERAL RESERVE SYSTEM

The Chief Clerk read the nomination of C. Canby Balderston, of Pennsylvania, to be a member of the Board of Governors for the remainder of the term of 14 years from February 1, 1952.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

### HOME LOAN BANK BOARD

The Chief Clerk read the nomination of Ira A. Dixon, of Indiana, to be a member for a term of 4 years, expiring June 30, 1958.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

### FOREIGN CLAIMS SETTLEMENT COMMISSION

The Chief Clerk read the nomination of Whitney Gilliland, of Iowa, to be a member of the Foreign Claims Settlement Commission.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Henry J. Clay, of New York, to be a member of the Foreign Claims Settlement Commission.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

### UNITED STATES DISTRICT JUDGES

The Chief Clerk read the nomination of Cale J. Holder, of Indiana, to be United States district judge for the southern district of Indiana.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of W. Lynn Parkinson, of Indiana, to be United States district judge for the northern district of Indiana.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Joe McDonald Ingraham, of Texas, to be United States district judge for the southern district of Texas.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

### CIRCUIT JUDGE, TERRITORY OF HAWAII

The Chief Clerk read the nomination of Harry R. Hewitt, of Hawaii, to be fifth judge, first circuit, of the circuit courts of the Territory of Hawaii.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

### UNITED STATES ATTORNEY

The Chief Clerk read the nomination of Lewis B. Blissard, of Hawaii, to be United States attorney for the district of Hawaii.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

### COLLECTOR OF CUSTOMS

The Chief Clerk read the nomination of Frank Peska, of Illinois, to be collector of customs for customs collection district No. 39, with headquarters at Chicago, Ill.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

### COMPTROLLER OF CUSTOMS

The Chief Clerk read the nomination of Lorene W. Bowlus, of Maryland, to be comptroller of customs, with headquarters at Baltimore, Md.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. KNOWLAND. Mr. President, I ask that the President be immediately notified of the confirmations.

The PRESIDENT pro tempore. Without objection, the President will be immediately notified.

### LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

### EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

#### REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF THE ARMY

A letter from the Acting Secretary of the Army, transmitting, pursuant to law, a report on tort claims paid by the Department of the Army for the fiscal year 1954 (with an accompanying report); to the Committee on the Judiciary.

#### TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

#### DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the committee on the part of the Senate.

### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LANGER, from the Committee on the Judiciary, without additional amendment:

S. 2634. A bill for the relief of Mrs. William A. Curran (Rept. No. 2269).



By Mr. LANGER, from the Committee on the Judiciary, without amendment:

S. 1445. A bill for the relief of Evelyn Hardy Waters (Rept. No. 2270);

S. 3017. A bill for the relief of Thomas Barron (Rept. No. 2271);

S. 3582. A bill for the relief of Col. David W. Stonecliff (Rept. No. 2272);

S. 3666. A bill for the relief of Mary Palanuk (Rept. No. 2273);

H. R. 2874. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Mary K. Reynolds, as successor in interest to the Colonial Realty Co. (Rept. No. 2274);

H. R. 6808. A bill for the relief of Col. Samuel J. Adams, and others (Rept. No. 2275); and

H. R. 7251. A bill to authorize the Secretary of the Interior to transfer to Vernon F. Parry the right, title, and interest of the United States in foreign countries in and to a certain invention (Rept. No. 2276).

By Mr. LANGER, from the Committee on the Judiciary, with an amendment:

S. 345. A bill for the relief of Samuel Chaut (Rept. No. 2277);

S. 1687. A bill for the relief of T. C. Elliott (Rept. No. 2278);

S. 1898. A bill for the relief of Walter H. Berry (Rept. No. 2279);

S. 2083. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Lawrence F. Kramer (Rept. No. 2280);

S. 2316. A bill for the relief of the Birmingham Iron Works, Inc. (Rept. No. 2281);

S. 2564. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Gubbins & Co., of Lima, Peru, and Reynaldo Gubbins (Rept. No. 2282);

S. 2632. A bill for the relief of the Epes Transportation Corp. (Rept. No. 2283);

S. 2801. A bill for the relief of Graphic Arts Corp., of Ohio (Rept. No. 2285);

S. 3057. A bill for the relief of the Lacchi Construction Co. (Rept. No. 2286);

S. 3110. A bill for the relief of the Portsmouth Sand & Gravel Co. (Rept. No. 2287);

S. 3494. A bill for the relief of the Central Railroad Co. of New Jersey (Rept. No. 2288);

S. 3562. A bill for the relief of the McMahon Co., Inc. (Rept. No. 2289);

H. R. 2645. A bill for the relief of Donald James Darmody (Rept. No. 2284);

H. R. 2791. A bill for the relief of Esther E. Ellicott (Rept. No. 2290);

H. R. 2881. A bill for the relief of Mrs. Rosaline Spagnola (Rept. No. 2291);

H. R. 3216. A bill for the relief of E. C. Mills (Rept. No. 2292);

H. R. 3217. A bill for the relief of Mrs. Florence D. Grimshaw (Rept. No. 2293);

H. R. 3273. A bill for the relief of Edgar A. Belleau, Sr. (Rept. No. 2294);

H. R. 3732. A bill for the relief of Catherine (Cathrina) D. Pilgard (Rept. No. 2295);

H. R. 4531. A bill for the relief of Lyman Chalkey (Rept. No. 2296);

H. R. 4580. A bill for the relief of the Florida State Hospital (Rept. No. 2297);

H. R. 5086. A bill for the relief of George Eldred Morgan (Rept. No. 2298);

H. R. 5092. A bill for the relief of Robert Leon Rohr (Rept. No. 2299);

H. R. 5489. A bill for the relief of Rocco Forgone (Rept. No. 2300);

H. R. 6332. A bill for the relief of James Philip Coyle (Rept. No. 2301);

H. R. 6562. A bill for the relief of Capt. C. R. MacLean (Rept. No. 2302);

H. R. 6566. A bill for the relief of Daniel D. Poland (Rept. No. 2303);

H. R. 7762. A bill for the relief of M. M. Hess (Rept. No. 2304);

H. R. 7835. A bill for the relief of S. Sgt. Frank C. Maxwell (Rept. No. 2305); and

H. R. 8252. A bill for the relief of the city of Fort Smith, Ark. (Rept. No. 2306).

By Mr. LANGER, from the Committee on the Judiciary, with amendments:

S. 209. A bill for the relief of Irene C. Karl (Rept. No. 2307);

S. 3375. A bill for the relief of the Elkey Manufacturing Co. of Chicago, Ill. (Rept. No. 2308);

H. R. 2615. A bill for the relief of Julio Mercado Toledo (Rept. No. 2309); and

H. R. 5028. A bill for the relief of Petra Ruiz Martinez and Marcelo Maysonet Mirell and Maria Benitez Maysonet Mirell (Rept. No. 2310).

By Mr. BRIDGES, from the Committee on Appropriations, with amendments:

H. R. 10051. A bill making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes (Rept. No. 2268).

By Mr. MILLIKIN, from the Committee on Finance, without amendment:

H. R. 9962. A bill to increase by 5 percent the rates of pension payable to veterans and their dependents (Rept. No. 2313).

By Mrs. SMITH of Maine, from the Committee on Government Operations, with an amendment:

S. 3772. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the payment of appraisers', auctioneers', and brokers' fees from the proceeds of disposal of Government surplus real property, and for other purposes (Rept. No. 2314).

By Mr. SALTONSTALL, from the Committee on Armed Services, without amendment:

H. Con. Res. 259. Concurrent resolution to provide for the Joint Committee on Tin (Rept. No. 2315).

By Mr. CARLSON, from the Committee on Post Office and Civil Service, without amendment:

H. R. 7398. A bill to repeal the requirement of section 3921 of the Revised Statutes that postmasters report to the Postmaster General failure to cancel postage stamps (Rept. No. 2317);

H. R. 7399. A bill to authorize the sale of postage-due stamps for philatelic purposes (Rept. No. 2318); and

H. R. 8921. A bill to establish the rate of compensation for the position of the General Counsel of the Department of Commerce (Rept. No. 2319).

By Mr. CORDON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 3716. A bill to amend the act of June 30, 1948, so as to extend for 5 additional years the authority of the Secretary of the Interior to issue patents for certain public lands in Monroe County, Mich., held under color of title (Rept. No. 2320).

By Mr. DWORSHAK, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 5499. A bill to provide for the construction, maintenance, and operation of the Michaud Flats project for irrigation in the State of Idaho (Rept. No. 2321).

By Mr. BARRETT, from the Committee on Interior and Insular Affairs, with an amendment:

S. 2821. A bill granting the consent of Congress to the States of Colorado, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact for the disposition, allocation, diversion, and apportionment of the waters of the Missouri River and its tributaries, and for other purposes (Rept. No. 2322).

By Mr. KUCHEL, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 9582. A bill to provide for the disposition of surplus personal property to the Territorial government of Alaska (Rept. No. 2323).

# PROHIBITION OF CERTAIN GAMBLING INFORMATION IN INTERSTATE AND FOREIGN COMMERCE — AMENDMENT — REPORT OF A COMMITTEE

Mr. BRICKER, from the Committee on Interstate and Foreign Commerce, reported an additional amendment in the nature of a substitute to the bill (S. 3542) to prohibit transmission of certain gambling information in interstate and foreign commerce by communication facilities, which was received and ordered to be printed.

## IRA T. TODD AND MAJOR C. TODD, COPARTNERS, TRADING AS TODD BROS. — REFERENCE OF SENATE BILL TO COURT OF CLAIMS — REPORT OF A COMMITTEE

Mr. LANGER. Mr. President, from the Committee on the Judiciary, I report an original resolution conferring jurisdiction on the Court of Claims to hear, determine, and render judgment on the claims of Ira T. Todd and Major C. Todd, copartners, trading as Todd Bros., and I submit a report (No. 2311) thereon.

The PRESIDENT pro tempore. The report will be received and the resolution will be placed on the calendar.

The resolution (S. Res. 308), reported by Mr. LANGER from the Committee on the Judiciary, was placed on the calendar, as follows:

*Resolved*, That the bill (S. 749) entitled "A bill conferring jurisdiction on the Court of Claims to hear, determine, and render judgment on the claims of Ira T. Todd and Major C. Todd, copartners, trading as Todd Bros.," now pending in the Senate, together with all accompanying papers, is hereby referred to the United States Court of Claims, pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same, in accordance with the provisions of said sections, and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim, legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimants.

## G. W. TODD AND LLOYD PARKS, COPARTNERS — REFERENCE OF BILL TO COURT OF CLAIMS — REPORT OF A COMMITTEE

Mr. LANGER. Mr. President, from the Committee on the Judiciary, I report an original resolution conferring jurisdiction on the Court of Claims to hear, determine, and render judgment on the claims of G. W. Todd and Lloyd Parks, copartners, and I submit a report (No. 2312) thereon.

The PRESIDENT pro tempore. The report will be received and the resolution will be placed on the calendar.

The resolution (S. Res. 309), reported by Mr. LANGER from the Committee on the Judiciary, was placed on the calendar, as follows:

*Resolved*, That the bill (S. 750) entitled "A bill conferring jurisdiction on the Court of Claims to hear, determine, and render judgment on the claims of G. W. Todd and

Lloyd Parks, copartners," now pending in the Senate, together with all accompanying papers, is hereby referred to the United States Court of Claims, pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same, in accordance with the provisions of said sections, and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim, legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimants.

#### INVESTIGATION OF MARKETING OF NEW CARS (AUTO BOOTLEGGING)—REPORT OF A COMMITTEE

Mr. BRICKER. Mr. President, from the Committee on Interstate and Foreign Commerce I report an original resolution to investigate the marketing of new cars, relating to auto bootlegging, and I submit a report (No. 2316) thereon.

The PRESIDENT pro tempore. The report will be received, and the resolution will be placed on the calendar.

The resolution (S. Res. 310) reported by Mr. BRICKER from the Committee on Interstate and Foreign Commerce, was placed on the calendar, as follows:

Whereas the Subcommittee on Business and Consumer Interests of the Committee on Interstate and Foreign Commerce is holding hearings on S. 3596, a bill to amend the Federal Trade Commission Act with respect to certain contracts, agreements, or franchises to enable manufacturers of automobiles and trucks and their franchise dealers to protect their goodwill in the business of manufacturing and distributing automobiles and trucks made or sold by them by restricting franchise dealers from reselling to certain unauthorized persons; and

Whereas for several decades before 1948 manufacturers of automobiles and trucks inserted a clause in their agreements with franchise dealers so restricting these dealers, but the Attorney General of the United States then intimated to the manufacturers that such a clause was in violation of the antitrust acts and this opinion has been concurred in by subsequent Attorneys General; and

Whereas counsel for new car dealers testified at the hearings held by the aforementioned subcommittee on July 20, 1954, that past Attorneys General and the present Attorney General of the United States have not cited any court cases in support of the opinion of the Justice Department which has resulted in cancellation of said clause by said manufacturers for fear of criminal prosecution; and

Whereas new car dealers have testified uniformly at the hearings against the practice of "bootlegging," which encompasses the sale of a new automobile by an authorized or franchised dealer to an unauthorized person for resale, and the subsequent resale by such unauthorized person to the ultimate consumer to the great detriment of the business of the new car dealers and the public; and

Whereas some new car dealers have testified that the practice of "bootlegging" is caused in whole or in part by the practice of certain manufacturers of new cars and trucks or their agents of directly or indirectly coercing franchise dealers to purchase more new cars than they can reasonably anticipate disposing of under existing market conditions; and

Whereas some new car dealers and other witnesses have testified at said hearings that large investments are usually made by franchise dealers in their business under agreements so drafted by the manufacturers as to allow the franchise dealer very few, if any, enforceable rights and that this situation creates an atmosphere wherein a new car dealer can offer very little resistance to the efforts of manufacturers or their agents to cause him to purchase more cars than he can reasonably dispose of; and

Whereas, as testified by new car dealers, such dealers are not solely engaged in the business of selling new cars but, also, in the greater business of selling and furnishing transportation to the American public; and

Whereas there are funds available to the Committee on Interstate and Foreign Commerce under Senate Resolution 173, approved on January 26, 1954, which authorized and directed new investigations, including specifically "domestic surface transportation"; and

Whereas the Committee on Interstate and Foreign Commerce by unanimous vote of all of its members on August 4, 1954, reported this Senate resolution: Now, therefore, be it

Resolved, That the Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of any and all matters within its jurisdiction as set forth in section (1) (j) of rule XXV of the Standing Rules of the Senate and under Senate Resolution 173, 83d Congress, 2d session, and especially all matters pertaining to—

(1) The entire field of merchandising of new cars and trucks, including a study of trade practices prevailing in cross-sections of the United States.

(2) The entire field of manufacturer-dealer relationships in the automobile industry, as well as the relationship of each of these to the public, including but not limited to duress or coercion in the form of franchise agreements or otherwise.

(3) The application of the antitrust laws, fair trade laws and unfair trade practices acts (including but not limited to the Robinson-Patman Act) to the said industry and to restrictive clauses in franchise agreements, and the effect of such laws upon interstate and foreign commerce and domestic surface transportation.

SEC. 2. The committee shall report to the Senate the results of such study and investigation on or before January 31, 1955.

#### BILL INTRODUCED

Mr. DOUGLAS introduced a bill (S. 3843) for the relief of Maria Gabriella Byron (Maria Gabriella Michon), which was read twice by its title, and referred to the Committee on the Judiciary.

#### SOCIAL SECURITY ACT AMENDMENTS OF 1954—AMENDMENT

Mr. HENNINGS submitted an amendment intended to be proposed by him to the bill (H. R. 9366) to amend the Social Security Act and the Internal Revenue Code so as to extend coverage under the old-age and survivors insurance program, increase the benefits payable thereunder, preserve the insurance rights of disabled individuals, and increase the amount of earnings permitted without loss of benefits, and for other purposes, which was ordered to lie on the table and to be printed.

#### AMENDMENT OF TARIFF ACT OF 1930 RELATING TO EXEMPTION FROM DUTY OF CRUDE SILICON CARBIDE—AMENDMENTS

Mr. SALTONSTALL (for himself and Mr. KENNEDY) submitted amendments intended to be proposed by them jointly, to the bill (H. R. 8628) to amend the Tariff Act of 1930 to insure that crude silicon carbide imported into the United States will continue to be exempt from duty, which were ordered to lie on the table and to be printed.

#### AMENDMENT OF SECTION 345 OF REVENUE ACT OF 1951—AMENDMENT

Mr. BRICKER. Mr. President, I submit an amendment intended to be proposed by me to the bill (H. R. 6440) to amend section 345 of the Revenue Act of 1951. I hope to call up the amendment at the time the bill is considered.

The PRESIDENT pro tempore. The amendment will be received and printed, and will lie on the table.

#### HOUSE BILLS REFERRED

The following bills were each read twice by their titles, and referred, as indicated:

H. R. 2837. An act for the relief of Hilario Camino Moncado and Diana Toy Moncado; to the Committee on the Judiciary.

H. R. 7745. An act to amend certain provisions of the act of August 2, 1939, commonly known as the Hatch Act, relating to employees of State or local agencies whose activities are financed in whole or in part by loans or grants from the United States; to the Committee on Rules and Administration.

#### ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, and so forth, were ordered to be printed in the RECORD, as follows:

By Mr. HENNINGS:

Statement by himself and two articles relating to proposed amendments to the Constitution of the United States.

#### AN AMERICAN PATRIOT—EDITORIAL FROM NEW YORK HERALD TRIBUNE

Mr. LEHMAN. Mr. President, there appeared this morning in the New York Herald Tribune a very fine editorial entitled "An American Patriot."

I ask unanimous consent to have this editorial printed in the body of the RECORD as part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### AN AMERICAN PATRIOT

Attacks on Gen. George C. Marshall have been frequent and virulent since Senator McCARTHY made his speech against him in 1951. One of the low points in this campaign of detraction was reached when the undocumented opinion of a former Secretary of War—in terms which appear to have



startled the writer when he saw them in print—was read into the Senate Record by Mr. McCARTHY. To all of these charges and insinuations the general has refused to reply. He has not lacked defenders, however; the award of a Nobel prize represented the verdict of much of the free world, while the President of the United States will find overwhelming support among his countrymen for his characterization of General Marshall as typifying all that we look for in an American patriot.

President Eisenhower was sent to the White House by a large majority of the American people because they have confidence in his judgment of men and measures. He is in an excellent position to judge General Marshall's professional attainments as a soldier, his integrity as a man. The President has never qualified his admiration for his predecessor in the post of Army Chief of Staff—he did not do so during the campaign, when the insinuations against General Marshall had become an issue. He does not do so now. And all but a small fraction of the American people will agree with their President that it is a poor return for at least 50 years of service to assert that Marshall is not a fine loyal American, and that he served only in order to advance his own personal ambitions. The United States will not stoop to such ingratitude in the case of a devoted public servant who has won the respect of the world.

#### THE OMNIBUS TAX BILL

Mr. MARTIN. Mr. President, there has been much favorable comment on the tax bill of 1954. The chairman of the Finance Committee, the junior Senator from Colorado [Mr. MILLIKIN], and the ranking Democratic Senator, the senior Senator from Georgia [Mr. GEORGE], and the chairman of the Ways and Means Committee of the House, DANIEL A. REED, deserve the highest commendation for their work. Their long experience in tax legislation gave the Senate Finance Committee and the House Ways and Means Committee most intelligent direction in writing this new law.

The Ways and Means Committee and the Finance Committee and the conferees had the aid of a most outstanding staff. Mr. Colin Stam, head of the congressional tax staff, and Mr. Kenneth W. Gemmill, a Philadelphia lawyer, and Mr. Dan Throop Smith, a Harvard professor, representing the Treasury Department, went over the testimony of more than 150 witnesses and several hundred statements and thousands of letters and digested them for the benefit of the committees. These men were aided by a fine group of specialized tax experts.

This is the first rewriting of the tax laws in almost three-quarters of a century.

The efforts of the Finance Committee of the Senate and the Ways and Means Committee of the House were to correct a number of inequities which had found their way into the tax laws of the United States.

The members of the committees and their staffs, representing both the Congress and the Treasury Department, made an effort to make the laws easier to be understood by the taxpayer, and to achieve a simplification of administration. Incentive, a great word in the American system, will receive much encouragement by this law.

David Lawrence, in the August 6 issue of the U. S. News & World Report,

comments on this law in an editorial entitled "A Great Law." I ask unanimous consent to have the editorial printed at this point in the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### A GREAT LAW (By David Lawrence)

For three-quarters of a century no law has been passed to revise generally the revenue-raising procedures of our Federal Government.

Circumstances have changed substantially in that period, affecting the ways of doing business and the everyday lives of individuals.

Yet antiquated provisions of law have remained on the statute books, piling inequity upon inequity.

What the Congress has just done is to establish principles of fair play as between the Government and the taxpayer. The new law is not perfect—it still fails to cure certain inequities. But it is such a far-reaching improvement upon existing law and does so much to give a square deal to the taxpayer that it must be hailed as one of the most constructive pieces of legislation of our times.

An effort to revise the tax laws has been made again and again without success. Too often the sessions of Congress have concerned themselves with scales of rates, and each time the administrative provisions have been shunted aside.

A vast amount of work has been done on these matters by the tax experts of previous administrations, and the tax authorities have pooled their accumulated experience to make the new law what it is—a balanced application of the principles of fairness and non-discrimination.

It isn't fair, for instance, for a man who has built up a business to find that his heirs will have to sell it to get the money with which to pay estate taxes.

It isn't fair to deny a working mother the benefit of a tax deduction, as a business expense, for paying someone to take care of her children, when a business can deduct the expense incurred by a salesman in entertaining a customer.

There are thousands of points such as these which are covered in the new law. But there are many more that remain for future action by Congress.

Perhaps the most outstanding characteristic of the new measure is the encouragement it gives the system of private enterprise.

Incentive is the key word in the American system. While the Government needs adequate revenue to pay its expenses, it must not depart from the true function of taxation by trying to apply the Socialist doctrine of "share the wealth." In other words, the Government's policy should never be "reform for reform's sake." It should never penalize success or discourage thrift.

Yet some of these very inequities have been foisted upon the taxpayer by the demagogues whose thinking is far closer to Moscow concepts than it is to the principles of free enterprise that have built up the American economic system.

For communism isn't always just a philosophy tied to the Soviet Government. There are loyal and patriotic Americans who misguidedly would do things by law to communize or socialize the American system in pursuance of a theory of government whose dangerous implications they fail to perceive.

The new law belatedly, for example, recognizes the viciousness of double taxation. For the first time dividends have a partial exemption from tax.

To their discredit, be it said that there were many Democrats in Congress who sought to make a demagogic dispute out of this. They

fought the revision as "relief for the rich." But if they make such an issue in the coming campaign, it will not be an unmixed blessing. For the American people ought to become informed at last on the true facts of this controversy.

A man, for example, has an idea, builds a business, creates jobs for others, and his incorporated company pays now a 52-percent tax on all profits. Then the money which the enterprising head of the business gets out of it himself is taxed over again as income. This double taxation is unfair, especially since another man who is a lawyer or a doctor or in some other profession pays only one tax.

To raise money to expand a business requires the other fellow's capital—his savings after years of toil. He has already paid taxes on those savings, but he has been taxed a second time on the income from the same money when he risks its investment to help build a business enterprise.

The new law doesn't give much relief on dividend payments, but at least it recognizes the concept that double taxation is unfair. The late President Roosevelt was against this double taxation but he and his party never had the courage to do what President Eisenhower and a Republican Congress have just done.

The new statute should stimulate confidence in business, especially the new clauses liberalizing allowances for the wear and tear of machinery and tools.

These changes will permit the necessary capital to be raised to expand America's plant to meet the needs of a growing population. It is a landmark in legislative progress. For the new tax law is truly a great law.

#### OPPOSITION TO GRAZING AMENDMENT BEING ATTACHED TO FARM PRICE-SUPPORT BILL

Mr. WILEY. Mr. President, conservationists throughout our Nation are deeply and justifiably concerned about the misguided effort to attach to the agricultural price-support bill, the amended version of the so-called stockmen's grazing bill.

I join in opposition to this effort. I firmly believe that any legislation as ominous as S. 2548, the grazing bill, should be taken up on its own merits—or lack of merits. The pros and cons should be carefully analyzed. The bill should not be attached as a rider to non-related legislation.

I, for one, have long opposed any effort to despoil our public lands, and I am joined by hundreds of thousands of conservationist adherents in my State. Already, America has lost too much of her outdoor heritage because of greed and laxity.

I send to the desk the text of a telegram sent by national organizations rightly opposing the grazing amendment, as well as the text of two telegrams received from Isaac Walton leaders in my own State.

I ask unanimous consent that these items be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., August 5, 1954.

ALEXANDER WILEY,  
Senate Office Building,  
Washington, D. C.:

Practically all national conservation organizations still opposing amended ver-

sion stockmen's grazing bill, S. 2548, and protest attaching measure affecting administration of 200 million acres of national forest and Bankhead-Jones lands as a mere rider on farm bill, S. 3052. Several State affiliates of National Wildlife Federation are strongly in opposition.

Forest Conservation Society of America, Spencer Smith, Secretary; Outdoor Writers Association of America, Michael Hudoba, Conservation Director; Izaak Walton League of America, William Voight, Jr., Executive Director; North American Wildlife Foundation, C. R. Gutermuth, Secretary; National Parks Association, Devereux Butcher, Editor; Sierra Club, Richard M. Leonard, Director; Sport Fishing Institute, R. W. Eschmeyer, Executive Vice President; Wilderness Society, Howard Zahrliser, Executive Secretary; Wildlife Management Institute, Ira N. Gabrielson, President.

MILWAUKEE, WIS., August 6, 1954.

HON. ALEXANDER WILEY,  
United States Senator,

Washington, D. C.:

The Izaak Walton League, Wisconsin Division, requests your opposition to the National Forest grazing amendment to the farm bill. Congress has defeated in previous sessions the efforts of the western stockmen to exploit our public lands. We also deplore the effort to sneak this amendment through on a critical piece of legislation.

ARTHUR MOLSTAD,

President, Izaak Walton League,  
Wisconsin Division.

FOND DU LAC, WIS., August 5, 1954.

ALEXANDER WILEY,  
Senate Office Building,

Washington, D. C.:

As a national director of Izaak Walton League of America and having given consideration to the proposed grazing on United States owned land I hope you join with conservationists in opposing an amendment offered by Senator Anderson to farm support bill that would permit destruction of United States forest in the West.

A. D. SUTHERLAND.

#### MORE ADEQUATE USE OF SCIENTIFIC MANPOWER

Mr. WILEY. Mr. President, I have on several occasions commented on the floor of the Senate with regard to the vital question of more efficient utilization of the Nation's scientific manpower.

From every evidence which is available, the Soviet Union is far outdistancing us in expanding the reservoir of skilled engineers, scientists, and other technicians.

Under these circumstances, for us to fail to provide adequate incentive to talented young scientists; for us to arbitrarily draft them into the Armed Forces, where they would learn "squads right, squads left"; for us to fail to utilize in any way scientists who served in military projects during the war, but who have now returned completely to civilian life—to do any and all of these things is to be committing, in my judgment, a tragic blunder.

Our scientific and industrial prowess represent our great national assets. To dissipate these assets is folly. To assume that we are going to remain perennially ahead of the Soviet Union simply because we got a head start in certain fields is absurd.

I was most interested, therefore, to receive from Mr. Joseph O. Hirschfelder, of the naval research laboratory of the University of Wisconsin, this morning, a series of specific suggestions regarding better utilization of scientific manpower.

I send to the desk this letter and ask unanimous consent that it be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE UNIVERSITY OF WISCONSIN,  
Madison, Wis., August 4, 1954.

The Honorable ALEXANDER WILEY,  
United States Senate,  
Washington, D. C.

DEAR SENATOR WILEY: It has been called to my attention that during the course of the past year 3,500 graduate students working along scientific lines were drafted, and the total number of graduate students in scientific subjects was reduced by 4,000 in our Nation's universities. Since only 10,000 graduate students get degrees in scientific subjects per year, this represents a very severe decrease in the number of students that our universities are training. Inasmuch as our military and industrial installations are demanding that we turn out approximately 20,000 people per year with advanced degrees in science, it would seem a shame that our training capacity is being reduced instead of expanded.

I want to make my arguments on the basis of national defense. In my opinion a man with a graduate degree in science is far more useful than one whose training has been interrupted at a halfway level. A man who has been taken out of school before completing his training cannot be expected to have developed techniques and skills to the point where he can apply them to problems of military defense. After a 2- or 3-year training term in the Army, such a man finds it extremely difficult to resume his scientific training, and usually requires at least 1 extra year to bring him back to the point where he left off. In other words, taking scientific students out of graduate studies is wasteful from many different points of view. If it is necessary to use all of our young men for old-fashioned military service it would be far better to have universal military training in which the men are drafted on the completion of their high-school training, so that after they return they can proceed with their university studies without interference.

In these days of hydrogen bombs, guided missiles, and germ warfare, I feel that a young man taking graduate studies along scientific lines can serve a far more useful purpose by receiving special instruction and training along military lines best suited to his academic training. Furthermore, I believe that graduate students in science have a great obligation to their country to help in its defense. At the present time there is no planned effort to train our scientific graduate students along scientific military lines within our universities. In each of our major universities there are Reserve officer training courses headed by competent military officers who teach students military problems at an undergraduate level. No effort has been made to extend this training to a graduate level. This could be easily done by making use of a number of members of the permanent faculty staff of these universities. Each of these universities has many staff members who are regarded as experts in various phases of military technology. I would propose that regular graduate courses be given in various phases of ordnance, chemical warfare, military health problems, etc. In addition to requiring our scientific graduate students to take such courses and thereby

become trained in one or more highly specialized phases of military technology, I would suggest requiring them to spend 3 weeks each summer on a military post where they can become indoctrinated to military problems in a more concentrated fashion.

In thinking of our scientific military manpower, I am appalled at the fact that no effort is being made to maintain the interest of those scientists who served in various military technological capacities during the past war. A sharp distinction has been made between the civilian scientists and those scientists who were in uniform. The uniformed scientists have been grouped together into special Reserve officers units in each of our major universities and major cities. They meet every other Tuesday night to discuss military problems and to become indoctrinated in new developments. In contrast, the civilian scientists have been permitted to forget all that they learned about military applications. In many cases it would require months, if not years, for them to be restored to their previous status as experts along military lines. If scientists are to be kept out of uniform, as I believe most people prefer, they should still be given some sort of nominal military status and be placed under orders to carry out those functions for which they are best suited. This is being done in both England and Canada. I have repeatedly suggested to the Office of Naval Research, to the Army Ordnance Department, to the Air Corp, and to the Research and Development Board that the technical Reserve officers units be expanded to include technically trained civilians who are cleared for receiving military classified information (through either confidential or secret). Funds should also be made available to improve the quality of the meetings of these Reserve officers groups. In this way I feel that we can aid very materially in the indoctrination of our scientific manpower into the problems of warfare.

A third suggestion which I would like to offer is setting up a branch of the War College for the training of scientists in the special applications to military problems. Such a college should give regular courses very similar to graduate courses in a university. The enrollment should be made up of scientists working in military or Government defense installations or working in a private or governmental installation under contract with military services which require that these individuals become specialists in the field of the particular courses for which they enroll. As an ordnance specialist, I would suggest such courses as interior ballistics of guns and rockets; exterior ballistics of guns and rockets; blast waves and their damage to structures; the chemistry of propellants and explosives; the theory of detonations; the theory of flame propagation; the engineering design of ordnance weapons; the effects of the atomic and hydrogen bombs; the theory and design of atomic and hydrogen bombs; etc. There is a wide variety of specialized subjects, such as the above, in which there is a large amount of classified literature and the subjects could be presented in a systematic fashion. Without these courses it is very difficult for a young man starting work in a military installation to learn the background of practice and the problems of any particular military application. As a result I have noticed that a large amount of the research work being carried out in our military establishments is a duplication of work which was done during World War II, and in many cases the young personnel involved have not had access to the scientific documents describing the work of World War II.

To summarize this letter: The number of scientific graduate students in our universities have become severely depleted. Presently it appears that this depletion will become much more serious during the current



year. I propose that instead of drafting these young men, we make a serious effort to train them along military lines at the same time that they are going to school. During World War II you put such men in uniform and called the programs V-5, V-7, and V-12. There is need for a similar program in our universities at the present time. At the same time, every effort should be made to increase the military utilization of the scientific faculties of our universities and the scientific staffs of large industrial companies. I propose in this respect opening up the meetings and the technical reserve officers units to qualified civilians. And finally, I propose the setting up of a special branch of the War College to train young scientists working in our military installations in the general aspects of their particular work in order to improve the quality of our military research and reduce the number of scientists required in our military installations.

I am writing you this letter because I have the highest regard for the work which you are doing to build up our national security. Congratulations on your statesman-like efforts.

Sincerely yours,

JOSEPH O. HIRSCHFELDER.

#### FAMILY QUARTERS FOR MILITARY PERSONNEL

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared with reference to Senate bill 3818, dealing with family quarters for military personnel.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

##### STATEMENT BY SENATOR CAPEHART

Senate bill 3818 provides an authorization of \$175 million to build family quarters for military personnel. The housing to be provided by this bill will be on land acquired by the Government and it is assumed on or adjacent to the military post in question. Housing for enlisted men will cost \$12,800; for company grade officers \$15,200; field grade officers \$20,250; and flag rank \$27,000. The total number of units to be constructed under this program numbers 11,967 and it is further provided that \$15 million will be used for the procurement of 5,000 trailers to be furnished to military personnel at a subsidized rate.

A companion bill to this bill has passed through the House of Representatives. This bill, S. 3818, is now on the Senate Calendar, which will be called on Saturday, August 7. There is a possibility even though a large amount of money is involved that the bill will pass on the call of the calendar.

The funds which this bill would authorize were appropriated by the Senate in the supplemental appropriations bill which passed the Senate on August 4. The bill was amended in the supplemental appropriations bill to provide: "That funds appropriated under this bill shall not be used for family housing unless the Secretary of Defense certifies that (1) it is impractical to construct family housing under the provisions of title VIII of the National Housing Act (Wherry housing); and (2) that adequate housing at reasonable rental rates is not available in the immediate vicinity of the military installation; and (3) it is impractical to acquire suitable housing under other existing provisions of law."

There was a further amendment reducing the top limit of unit construction from \$27,000 to \$20,000.

In both the House and Senate reports there is quoted a statement from the Department of Defense citing reasons why the Wherry

Housing Act will not provide the necessary military housing. This statement is as follows:

"It is doubtful if the Wherry method will satisfy any material part of the need. On June 3, 1954, Congress amended the Federal Housing Act to require certification by sponsors as to actual cost and further required that if such cost was less than the amount of the mortgage that the difference be paid to the mortgagee as a reduction of the principal of the mortgage. Since that date only 2,690 units have been put under contract. It is also to be observed that in the month preceding the effective date of the above amendment there were 8,840 units put under contract. It is, therefore, our opinion that, except to a minor degree, the Wherry Act cannot be relied upon to meet the deficiency."

It is interesting to note that since its inception there have been constructed 64,380 units of Wherry housing; 13,611 are in the process of construction; and commitments by FHA have been issued for an additional 1,283 units. By letter of May 11, 1954, Assistant Secretary of Defense Buddeke wrote to Congressman DEWEY SHORT endorsing a bill for the authorization of military quarters, but in that letter stated that the Department of Defense advised an extension of the Wherry Act.

It should also be noted that this program requires \$175 million appropriation, but it is stated by Department of Defense officials that this will satisfy only 10 percent of the ultimate need for military housing.

During the debate on this bill in the House the strongest argument made in its favor was that the armed services are having an increasingly difficult time retaining trained personnel after their enlistments expire and also preventing officers from resigning. The opinion was offered many times that the lack of adequate quarters was the major reason for this difficulty. This may be a spurious argument, but is difficult to answer politically.

#### SALE OF NARCOTIC DRUGS TO MINORS

Mr. PAYNE. Mr. President, on May 6, 1954, I introduced S. 3412, a bill to provide increased penalties for the sale of narcotic drugs to minors. There is a growing concern throughout the Nation in regard to the increased traffic in narcotics. At its recent annual convention the United States Junior Chamber of Commerce passed a resolution on the subject of narcotics which I believe warrants the attention of each of us. The junior chamber of commerce is one of the most outstanding and progressive organizations in the United States. It is, indeed, encouraging that this fine group of over 200,000 young men in 2,750 communities has become interested in this national problem. They are to be congratulated and commended for joining the crusade against illicit traffic in narcotic drugs.

I ask unanimous consent to have the United States Junior Chamber of Commerce resolution on narcotics printed at the conclusion of these brief remarks in the body of the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

##### RESOLUTION ON NARCOTICS

Whereas the postwar period has witnessed a substantial and alarming increase in the illicit supply and demand for narcotic drugs in the United States, notwithstanding strenuous efforts on the part of Federal and State authorities; and

Whereas illicit traffic in narcotic drugs for profit are the primary and sustaining sources of addiction and are of material danger to public morals, health, safety, and welfare; and

Whereas narcotic-drug addiction on the part of minors is particularly undesirable, is observed similarly to have increased in the postwar period, and is known historically to occur during periods of increased juvenile delinquency such as appears today; and

Whereas strongly deterrent penal laws, with alert enforcement, are acknowledged to be the most effective method of terminating illicit traffic and supply of narcotic drugs for profit; and

Whereas the need continues and grows for reduction of the demand for such drugs through proper treatment, cure, and rehabilitation of persons already addicted to the use of narcotics: Now, therefore, be it

*Resolved by the United States Junior Chamber of Commerce in convention assembled this 18th day of June 1954, in Colorado Springs, Colo.,* That this corporation go on record as favoring and urging, the following program by the appropriate State and Federal authorities:

1. A reexamination of the effectiveness of existing Federal laws directed to cope with illicit narcotic drug activities.

2. The creation of a scale of punishment for profiteering traffickers and suppliers of narcotic drugs, separate and more severe than that provided for those found guilty of other violations of the Federal narcotic drugs law, to wit: for the first offense, imprisonment not less than 5 years; for the second offense, not less than 10 years; and for a third or subsequent offense, not less than 20 years to life.

3. The amendment of the penal provision of the Federal narcotic drugs law to provide especially severe punishment for the trafficker and supplier of narcotic drugs to minors.

4. The amendment of the Federal and State narcotic drugs laws to provide for the confinement in a suitable Federal or State institution for purposes of cure and rehabilitation until released by the institution for return to society to persons who are convicted of offenses which they have committed solely because of their addiction to a habit-forming narcotic drug.

5. The enactment of State legislation providing compulsory treatment of the addict after court hearing similar to the law passed by the 83d Congress and now in operation in the District of Columbia; be it further

*Resolved,* That the President of the United States Junior Chamber of Commerce shall transmit copies of this resolution to the President of the United States and Members of Congress urging immediate Federal action and to all State organization members urging their support of appropriate State legislation.

#### UNFAIR COMPETITION OF AUTO-MOBILE BOOTLEGGERS

Mr. THYE. Mr. President, I wish to read to the Senate the following telegram:

MINNEAPOLIS, MINN., August 5, 1954.  
Senator EDWARD J. THYE,  
Senate Office Building,  
Washington, D. C.:

This telegram is by far the most important ever sent you from Minnesota Automobile Dealers Association, representing 1,100 new car franchised Minnesota dealers. We desperately request your help in passing Senate bill 3596, companion to anti-bootlegging bill, H. R. 9769, passed yesterday by House. Although Senate may wish for unhurried overall review of factory dealer relations between sessions, we respectfully state Minnesota dealers must have relief immediately

from bootlegging evils. With about 100 dealers out of business in Minnesota because of unfair competition of bootleggers, and many more on the very brink, automobile retailing industry cannot wait for broad investigation. They need help today.

There is complete unanimity among all dealers and manufacturers as to need for passage of S. 3596.

We know you are working hard on farm bill so we are not asking our membership to take up your time in contacting you. This telegram puts the future of our new car franchised dealers squarely in your hands. We know you will take your characteristically fast and positive action to help them right now. Next session will without doubt be too late for many.

Regards,

LEO B. FRAICY.

Mr. President, there is no question that Congress should give immediate attention to the question, because it is exceedingly serious, not only in Minnesota, but in every other State of the Union.

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Is there further routine business?

If not, the Chair lays before the Senate the unfinished business.

#### AGRICULTURE ACT OF 1954

The Senate resumed the consideration of the bill (S. 3052) to encourage a stable, prosperous, and free agriculture and for other purposes.

##### FARM PROBLEM AT THE CROSSROADS—AGAIN

Mr. BRIDGES. Mr. President, again we stand at a legislative crossroads on the farm problem. We, as United States Senators, must decide which road to take. Are we to continue down the road of high, rigid price support for a few farm commodities; a road which has put the Government \$6½ billion deep into the farm business; a road which puts food into storage, instead of into stomachs; a road which threatens tighter and tighter controls, to the point where our farmers will have little freedom left; a road which threatens to undermine all of agriculture, one of the very foundation stones of America? That is one road, the road we have followed for the last 5 years, in spite of a nagging conscience which warned us we were just delaying the decision, and all of the time getting farther and farther from the road on which we belonged.

Or do we here and now face the facts and take the commonsense road, one which will take us away from the wartime incentives which encourage farmers to overproduce things we do not need and cannot sell. Shall we now adopt a program which will stop the senseless raid on the taxpayers—a raid that has been indulged in to please a few. Instead, shall we adopt the program demanded by a majority of the farmers themselves, and, let me remind the Senate, a program which was voted overwhelmingly by Congress in 1948 and 1949.

Mr. President, I am counting on the good judgment of the Senate to choose this commonsense road, for such a program will strengthen agriculture, not weaken it for the long pull ahead.

On February 27, 1953, I made in the Senate a statement on agricultural policy. Senators may recall that I was very much concerned, and I warned Senators on both sides of the aisle as follows:

These farm surpluses, which have been inherited as part of the Truman legacy, are accumulative at a shocking rate. If unchecked, they ultimately will threaten our entire agricultural program.

That was true 18 months ago. I regretfully say it is far more true today. All Senators know the facts.

Our Government has \$6½ billion worth of food and fiber stored in old ships anchored in the Hudson River, piled in airplane hangars in Kansas, and jammed into bulging warehouses from coast to coast. As chairman of the Senate Appropriations Committee, I am painfully aware of the fact that recently we had to boost the Commodity Credit Corporation's borrowing power to \$8½ billion; and the grim fact is that soon we may be forced to raise it again—this time to \$10 billion. Our rent bill—just to pay the storage—is more than \$700,000 a day. If we are interested in helping agriculture and our country, just think what our agricultural research scientists could do with that amount of money, to create new wealth for all. Yet, the fact is that we are spending four times more for rent, to store Government farm surpluses, than the total Federal bill for agricultural research. Does that make sense to anyone?

Mr. President, as one with the agricultural background of a New England farm, and educated at the agricultural college of a great university; as a former agricultural teacher; as a one-time county agricultural agent; as a former State extension specialist and secretary of a farm organization, I say to the Senate that the present course certainly does not make sense to me. Neither does it make sense to farmers, to responsible farm leaders, or to anyone else who has the welfare of our Nation at heart.

We have this terrific surplus. A continuation of high, rigid, support prices would only add to our surplus problems, as the proponents of the pending measure well know. Such action would in my judgment be the height of irresponsibility. It would be spending the taxpayers' money unnecessarily, to encourage the farmers to deplete precious soil resources, to produce surplus foods that are not wanted and cannot be sold; and it would make necessary tighter and tighter controls on the farmer.

Last year Secretary of Agriculture Benson announced acreage controls for this year's corn crop and strengthened controls on the wheat crop. But reports from the Corn Belt indicate that, despite this, we may raise increased quantities of corn; and we have another bumper wheat crop coming along.

So a few days ago Secretary Benson was again forced by law—law made here in Congress—to stipulate to the farmer what he can raise and what he can sell.

I believe anyone who is familiar with the problems well knows that high rigid support prices must mean controls—and

more controls. In fact, it was the attempt by the previous administration to guarantee high prices to farmers, without attendant controls, which got us into the present mess. It was a political case of trying to have their cake and eat it too.

What will our situation be if further controls do not solve our surplus problems? They will not unless we virtually put the farmers into straitjackets? Are we to do this—to go even further down the road to a socialized agriculture—and all because of pleadings of a minority?

I say minority, for let us remember that the great livestock industry accounts for more of our Nation's farm income than do all of the basic crops. Yet the livestock industry gets no price supports, and I do not think it wants them. In dollar income the poultry industry, which we may look upon as "chicken feed," actually is more than half as big as all of the basic crops put together. Yet poultrymen get no price supports.

More than half the Nation's income comes from commodities that are not supported. It would be an injustice, even to farmers themselves, if we were to let a minority dictate the policies.

In my judgment the 90-percent support bill does not represent a cross-section of American agriculture. It most emphatically does not represent my section of the Northeast. It certainly does not represent the great corn and livestock section of the Middlewest. It does not represent the West. In short, it does not represent the majority of farmers of our Nation.

Let me also suggest that it does not represent the thinking of the Senate. Many of us will recall that in 1948 and 1949, both Republicans and Democrats voted for the principle of flexible price supports of 75 percent to 90 percent—a permanent program for agriculture, which was passed overwhelmingly by both Houses of Congress.

It has been urged that we put off the decision for 1 more year. I suggest that we are in this mess because we have done exactly that; we have put off this decision for just 1 or 2 more years, ever since the permanent legislation was passed in 1948 and 1949.

We can no longer delay. First, we must stop these wartime price supports which encourage farmers to produce crops for which we have no market—crops which the Government must then buy with the taxpayers' money, and must then store in victory ships or airplane hangars.

Only when we stop the wartime price supports can we tackle the surpluses on hand. I am told by nutritionists that if every citizen of the United States ate as well as he should, our surpluses might well disappear almost overnight. Flexible price supports would move our surpluses into consumption—into stomachs, instead of into storage.

So let us take this responsibility seriously. We can delay no longer—not if we really want to help all of agriculture, not if we want to keep this basic foundation of our country strong and adequate for any emergency in the future.



The time has come to face the facts. Here, specifically, is what I mean:

First. We must put flexibility into our price supports—flexibility that protects farmers against drastic price drops, and at the same time encourages a balanced abundance for America, with a minimum use of the taxpayers' money, and with a maximum of freedom for our farmers. By "flexible," I mean supports of 80 percent to 90 percent.

Second. We must not tie the hands of the Secretary of Agriculture by foolishly forcing him to pay for butter prices higher than the price the housewife will pay. Already we have 400 million pounds of butter in Government storage, with no buyers, and with danger that some of the butter will spoil.

Third. We must not be misled with such patchwork panaceas as the two-price system for wheat—not if we value our foreign trade, for although it may be called the two-price system over here, to countries overseas it spells "dumping." The minute we establish a two-price system for wheat, what is there to prevent the automobile manufacturers from asking for a two-price system, so they can export convertibles? Or what would there be to prevent a two-price system for one-piece bathing suits, or a two-price system so American watchmakers could export watches to Switzerland? A two-price system is not the way to increase orderly world trade or to help countries overseas.

Eighteen months ago I said:

Let us realistically appraise the situation and face the facts as they are—not as we would like them to be.

I said then, and I repeat it now:

A great deal of politics had been played with the agricultural program of the United States. Responsible members on both sides of this aisle must be aware that we cannot afford to tamper with programs which affect the security and welfare of our Nation.

Mr. President, this problem is not an easy one to solve. It will not be solved overnight. Our Secretary of Agriculture is vitally concerned that we have a law that he can administer for the best interests of farmers—and of the Nation.

In closing I would like to repeat what I said in this Chamber a year and a half ago: "Let us ignore the cries of alarm which are raised by special pleaders for political purposes and let us again re-establish under the law, a sound farm program which is in keeping with a society of freemen and free enterprise."

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. AIKEN. Does the Senator from New Hampshire recall that at the time he was speaking a year and a half ago, and I think on that very day, Secretary Benson was announcing that he would continue the supports for the products of milk and butterfat for 1 year more at 90 percent, with the understanding that in the meantime the dairy interests would undertake to put their house in order, develop their own markets, rather than look to the Government, and would not ask the Government to continue to be the principal market for butter,

cheese, and powdered milk? Does the Senator recall that?

Mr. BRIDGES. I certainly do recall it, and I recall exactly what happened in those days.

Mr. AIKEN. The Senator also recalls, does he not, that the support for butter, cheese, and powdered milk was continued for 1 year more? During that time the Government accumulated more than 1 billion pounds of those 3 commodities, and, then under the law, on April 1 of this year, the Secretary was required to drop the support price for butter, cheese, and powdered milk to 75 percent of parity. Since that time, I think it is extremely interesting to note, the dairy interests have gone ahead with a splendid promotion program and have made such progress it is now estimated, as of July 15, that the consumption of butter will increase 5 percent per capita as a minimum this year.

Mr. BRIDGES. Yes.

Mr. AIKEN. The consumption of cheese has increased 4 percent per capita, the consumption of fluid milk has increased 1 percent per capita; and when we take into consideration the 2½ percent increase in our population, the consumption of dairy products has been so increased that at the present time the Commodity Credit Corporation has to buy only from two-thirds to three-fourths as much butter, cheese, and powdered milk in order to support the price as it had to purchase a year ago.

The dairy interests have not yet reached the climax of their promotion campaign. They are regaining markets. The price is improving, and it will be only a matter of a few months, unless we become foolish and try to return to the old system, the old program of taking butter and cheese off the consumer's table and putting it in Government refrigerators, when we will find the balance between production and consumption of dairy products pretty much in line. Then we will have a really stable and prosperous dairy industry without dependency upon the Government as the principal market.

Mr. BRIDGES. I think the distinguished Senator from Vermont [Mr. AIKEN], who so ably heads the Committee on Agriculture and Forestry, has a complete grasp of the situation as the remarks he has made clearly indicate.

I commend him for the work he has done as chairman of that committee, and the vigorous way in which he has approached the problem of getting at least a semipermanent solution to the critical agricultural conditions which are developing by leaps and bounds, and which might result, unless checked in overturning the balance of our economy.

As chairman of the Appropriations Committee, when I see some of the authorizations and appropriations which come before it, I become frightened, and I feel that we have got to consider this question from the point of balance as to what is best for the country as a whole. I think, in the end, what is best for the country as a whole, in spite of the deep feelings of some of those who are for high rigid price supports,

will prove to be to their advantage, as it will to the advantage of everybody else.

The Senator from Vermont is doing a very worthwhile job in the leadership he has given to the pending legislation, and I hope as the result of the action today by the Senate and of the conference committee that a permanent program will be worked out.

Mr. AIKEN. I mentioned the Senator's speech of a year and a half ago because I believe the speech he made in the Senate at that time was one of the things which started this country on the way to a permanently sound farm program and away from a program which invited and encouraged and virtually demanded dependency upon the Government.

Mr. BRIDGES. I thank the Senator.

Mr. PAYNE. Mr. President, the American poultry industry is the third highest contributor to our gross farm income; it is exceeded in economic importance to our farmers only by the meat animal and dairy industries. The growth in the consumption of poultry and eggs in the United States has been phenomenal. Per capita consumption of poultry and eggs has increased from 55.4 pounds in 1909 to 87.9 pounds in 1952. Farm income from poultry and poultry products has increased from \$1,378,800,000 in 1925 to \$3,804,700,000 in 1952.

The poultry industry is a national industry spread over the entire Nation. Mr. President, I ask unanimous consent to insert in the body of the Record at this point in my remarks a table showing cash receipts from poultry products by States and a table showing the comparative standing of the poultry industry in relation to the leading farming industries by States and regions.

There being no objection, the tables were ordered to be printed in the Record, as follows:

*Poultry products:¹ Cash receipts from farm marketings in 1952²*

[Thousands of dollars]

1. California.....	273,062
2. Pennsylvania.....	216,605
3. Iowa.....	175,277
4. Texas.....	163,953
5. Minnesota.....	150,950
6. New York.....	143,901
7. Indiana.....	139,689
8. New Jersey.....	137,167
9. Illinois.....	133,293
10. Ohio.....	132,235
11. Georgia.....	121,763
12. Virginia.....	109,175
13. Missouri.....	108,760
14. Wisconsin.....	99,087
15. North Carolina.....	87,175
16. Arkansas.....	81,381
17. Michigan.....	79,814
18. Maryland.....	76,626
19. Massachusetts.....	75,986
20. Connecticut.....	67,032
21. Delaware.....	65,684
22. Maine.....	62,712
23. Nebraska.....	61,100
24. Kansas.....	58,332
25. Washington.....	50,804
26. Mississippi.....	44,926

¹Includes eggs, chickens, broilers, turkeys, and miscellaneous poultry.

²Prepared by the Poultry Branch, Commodity Programs Division, Production and Marketing Administration, Department of Agriculture, October 1953.

Poultry products: Cash receipts from farm  
marketings in 1952—Continued

[Thousands of dollars]

27. West Virginia.....	43,700
28. Alabama.....	42,628
29. Oregon.....	41,987
30. Kentucky.....	41,002
31. Oklahoma.....	39,953
32. Tennessee.....	38,029
33. South Dakota.....	37,005
34. South Carolina.....	36,015

Poultry products: Cash receipts from farm  
marketings in 1952—Continued

[Thousands of dollars]

35. New Hampshire.....	34,011
36. Utah.....	30,290
37. Florida.....	27,893
38. Louisiana.....	21,001
39. Colorado.....	19,825
40. North Dakota.....	18,834
41. Idaho.....	12,151
42. Vermont.....	10,879

Poultry products: Cash receipts from farm  
marketings in 1952—Continued

[Thousands of dollars]

43. Montana.....	9,932
44. Rhode Island.....	7,849
45. Arizona.....	5,357
46. Wyoming.....	4,362
47. New Mexico.....	4,071
48. Nevada.....	1,099
Total.....	3,444,382

Comparative standing of the poultry industry in relation to the 6 other leading contributors to the 1952 gross farm income in each State<sup>1</sup>

State and region	Poultry and eggs	Meat animals	Dairy products	Miscellaneous live-stock	Food grains	Feed crops	Cotton	Tobacco	Oil crops	Vegetables	Sugar crops	Fruits and nuts	Forest products	Greenhouse and nursery products
Maine.....	2	5	3			7				1		6	4	
New Hampshire.....	1	4	2							3		6	5	7
Vermont.....	3	2	1							4	6	7	5	
Massachusetts.....	1	6	2					7		3		5		4
Rhode Island.....	2	5	1							3		6	7	4
Connecticut.....	1	6	2					3		4		7		5
New England.....	1	4	2					6		3		7		5
New York.....	3	4	1		7					2		6		5
New Jersey.....	1	5	3			7				2		6		4
Pennsylvania.....	2	3	1			6				4		7		5
Middle Atlantic.....	2	4	1			7				3		6		5
Ohio.....	3	1	2		5	4			6	7				
Indiana.....	3	1	2		6	4			5	7				
Illinois.....	5	1	4		6	2			3					7
Michigan.....	4	2	1		5	7				3		6		
Wisconsin.....	3	2	1			5				4		7	6	
East North Central.....	4	1	2		7	3			5	6				
Minnesota.....	3	1	2		7	4			5	6				
Iowa.....	3	1	4		7	2			5	6				7
Missouri.....	3	1	2		7	6	4		5	6				
North Dakota.....	7	2	4		1	5			3	6				
South Dakota.....	4	1	5		2	3			6	7				
Nebraska.....	4	1	5		2	3				6	7			
Kansas.....	4	1	3		2	5			6	7				
West North Central.....	5	1	3		2	4			6	7				
Delaware.....	1	5	2		7	4				3				6
Maryland.....	1	3	2			6		5		4				7
Virginia.....	1	2	3					4	6	5		7		
West Virginia.....	1	2	3							4		5	6	7
North Carolina.....	3	5	4				2	1	7	6				
South Carolina.....	3	4	5			7		1	2	6				
Georgia.....	2	3	4					5	7	6				
Florida.....	5	3	4					7		1		2		6
South Atlantic.....	2	4	3				5	1		6		7		
Kentucky.....	4	2	3			6		1		5			7	
Tennessee.....	5	1	3			7	2	4		6				
Alabama.....	4	2	3				1		6	5			7	
Mississippi.....	4	2	3				1		6	5			7	
East South Central.....	5	2	3			7	1	4		6				
Arkansas.....	3	2	5		4		1		6	7				
Louisiana.....	7	3	4		2		1			5	6			
Oklahoma.....	5	1	3		2	6	4			7				
Texas.....	4	2	3		5	6	1			7				
West South Central.....	5	2	4		3	7	1			6				
Montana.....	5	1	3	6	2	4				7				
Idaho.....	6	1	4		3	5				2	7			
Wyoming.....	7	1	5	2	3	6				4				
Colorado.....	6	1	4		2	5				3	7			
New Mexico.....	7	1	3	6		4	2			5				
Arizona.....	6	2	5			4	1			3		7		
Utah.....	2	1	3	7	4	6				5				
Nevada.....	6	1	3	4	7	2				5				
Mountain.....	7	1	5		2	6	4			3				
Washington.....	6	4	3		1	7				5		2		
Oregon.....	6	1	2		4	7				5		3		
California.....	6	3	4			7	5			2		1		
Pacific.....	5	2	4		7		6			3		1		
United States.....	3	1	2		5	7	4			6				

<sup>1</sup> Prepared by the Poultry Branch, Commodity Programs Division, Production and Marketing Administration, Department of Agriculture, October 1953.

Mr. PAYNE. I should like to discuss briefly the relationship between the poultry industry and the grain-feed industry and the way the committee bill, with its high supports, penalizes our poultrymen.

Although the midwestern Corn Belt and some of the Great Plains States produce more livestock feed than they consume, the rest of the United States, for the most part, is a deficit feed area. Dairyman, poultrymen, and livestock

growers in the vast deficit area each year must buy millions of tons of grain, mixed feeds, and even hay to carry forward their operations.

Year in and year out, these farmers are the best customers the surplus pro-



ducing areas have. Many of them spend more for feed than they do for farm machinery, labor, or any other single production cost item. For many of these producers, particularly those in the poultry business, even a moderate increase in feed prices can throw their operations in the red.

The poultry industry has no price-support program. For the most part, producers want none. They had a taste of it several years ago, when the Government went into the egg business on a grand scale and wound up with a \$190 million loss. They saw both prices and consumption of eggs move upward soon after the support program was terminated.

Although poultrymen sell their products in a free market, they are heavy buyers of price-supported feeds. High, rigid price supports on corn have worked a hardship upon these farmers. Now it is proposed in section 204 of the committee bill that four other feed grains—oats, barley, rye, and grain sorghums—already supported at 85 percent of parity, be tied into the corn program in such a way as to force an even higher level of support. It is proposed that farmers who must buy all or a substantial part of their feed shall now be squeezed just a little more.

In the highly competitive broiler industry, which has expanded greatly in recent years, profit margins are narrow at best. In fact, it is no unusual experience for the broiler producer to take substantial losses on his marketings. The casualty rate has been high in this business. Many producers operating on limited capital, including a number of war veterans, have been caught in the squeeze between high feed prices and a declining market.

Section 204 of the committee bill would seriously harm far more farmers than it could conceivably help. It would, in fact, be costly to consumers as well as to most farmers.

Much of the corn and oats produced in this Nation is fed right on the farm where it is grown. The prices of hogs, cattle, poultry, and dairy products are much more important to farmers in the surplus-feed-productions areas than the price of corn and oats. The surplus grain which these farmers sell to other farmers in the deficit-feed area does, of course, supplement their income. But a higher price of feed grains will not help the surplus producing areas very much, and it will do infinite damage to other farmers in New England, the Middle Atlantic States, the South, and the West.

In the long run, even the commercial grain growers will suffer. Higher feed-grain prices can only increase the incentive for farmers in the deficit areas to produce more of their own feed. Higher prices will also attract larger quantities of feed grains from abroad—from Canada, Mexico, and Argentina.

There is no justification whatever for bringing these other grains into the same price-support program with corn. Our corn program has been costly enough to taxpayers and to farmers who must buy feed in the open market. From July 1, 1953, through May 31, 1954, the

Commodity Credit Corporation reported a net loss of \$58,827,234 on its corn price-support operations. With over three-quarters of a billion bushels of corn—803,617,000 bushels as of May 31, 1954—owned outright by the Government or currently under loan, further serious losses appear likely. In view of this situation, we should certainly not embark upon a program which would invite similar losses in other feed grains.

It is my hope that section 204 of the committee bill to tie oats, barley, rye, and grain sorghums into the corn-support program will be eliminated.

Mr. HOLLAND obtained the floor.

Mr. PAYNE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. PAYNE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. YOUNG in the chair). Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, I rise to discuss primarily the pending amendment, which is directed to changing the existing fixed or rigid price-support figure of 90 percent of parity to a flexible basis, as to those basics which are involved in the amendment, that is, all of the basics except tobacco.

In the first instance, however, I should like briefly to discuss what I regard as the necessity for the continuance of a reasonable support-price program for storable basic agricultural products. There never has been any doubt in my mind that there are at least three excellent reasons why it is in the public interest to maintain a reasonable support-price program as to these storable basic products.

The first of those three reasons is, of course, the necessity for maintaining an abundant supply of food and fiber for sale to consumers throughout the Nation at reasonable prices.

Mr. President, there is no doubt at all that it is in the interest of the ordinary citizen in all parts of our Nation to have available, out of the storable basic agricultural commodities, at all times, abundant supplies of the food and fiber which are represented in those commodities, so there may be available at reasonable prices all that every person and every family may need of those supplies. I regard it as fundamental to any fair approach to the whole problem that it is to the interest of the general consuming public to have such abundant supplies on hand at all times and at reasonable prices.

The second point which I think argues for the continuance of reasonable price supports for the storable basic commodities is that it is highly important to the maintenance of the purchasing power of a very large economic segment of our country, that is, the agricultural producers, so that agricultural purchasing power be maintained. Experience in the past has too frequently shown that a collapse of that purchasing power will be a precursor to more general economic

trouble throughout the Nation. So far as the Senator from Florida is concerned, he subscribes to that theory.

In the third place, particularly since World War II, it seems to me that price-support programs, on a reasonable basis, on the basic storable commodities are essential to our Nation and to the world because of the importance which abundant supplies of these products have in the world picture.

I do not believe that there is any single asset which our Nation has, or which the cause of peace among all the nations of the world has, which is of more value than the maintenance, at a high rate of production, of the abundant supplies of food and fibers which can and will be produced by the farmers of our Nation under any fair support system. Supplies of food and fiber are important, not merely to us, but likewise to other peace-loving nations of the earth, and also to other nations who do not love peace, because no other asset we have is so powerful, both with our friends among foreign nations and with our enemies likewise, as the tremendous productive capacity of the soil of America.

There can be no room whatever for doubt that when most of the nations of the earth find it impossible to produce sufficient food and fiber adequately to feed and clothe their own people, they look with astonishment upon the United States, one of the greatest nations of the earth in terms of population. We are that, with a population now well above 160 million and rapidly increasing. They look with astonishment and amazement upon a nation so large as ours which not only produces enough agricultural products to feed and sustain our people on the highest standard of living known to the earth, but also has available abundant supplies so that when those who are friendly to us need from our abundance to sustain their own economy, and even, in some instances, to maintain life itself, they can look to us as they can look to no other place on the earth.

Mr. President, I think that every Senator on both sides of the aisle, regardless of how he may stand on the pending measure, will be found in accord with those three principles. It is important to have a reasonable support program for basic storable agricultural commodities, first, to maintain an abundant supply of food and fiber for sale to the general consuming public in our own Nation at reasonable prices; second, to maintain the purchasing power of a very large segment of our economy, that is those engaged in the agricultural industry; and, third, to keep up the production of abundant supplies so as to leave us in the strongest possible position to attain our full destiny as the leader of the free nations of the earth in this critical time in world affairs.

Mr. President, the difference between those who support the continuance of the present rigid support program of 90 percent and those of us who strongly argue for the replacement of that rigid program as to 5 of the basics, is, I think, a difference in interpreting the history of the price support program up to this

time, and likewise a difference in fundamental philosophy of the two groups.

I think it would be of interest first to review briefly the history of the price-support program—or programs, because there have been several in number—which we have had continuously since 1933.

Mr. President, before going into the detailed discussion of those programs which I think appropriate, I wish first to comment that while one of the first actions of the so-called New Deal when President Franklin D. Roosevelt assumed the responsibility of the executive office was to establish a price-support program, and such a program has been continuous up to this date, yet, in all the peacetime years under the so-called New Deal, while it was at its zenith, no one even dreamed of suggesting a rigid price-support structure or a price-support structure at any time applicable to peacetime conditions that even approached 90 percent of parity.

In other words, the maximum price supports under programs which were regarded as adequate at the zenith of the New Deal to meet the collapse which had earlier occurred, and was then existing, in some of our basic agricultural commodities, were nowhere near 90 percent; and up to World War II the maximum had not approached 90 percent. To the contrary, the supports which were regarded as essential to overcome the disastrous situation which existed economically at that time, and which were regarded as effective to overcome it, were, in the first instance, flexible price supports; and, in the next instance, price supports which did not even begin to reach the 90 percent figure.

The Secretary of Agriculture appeared before the Senate Committee on Agriculture and Forestry in support of the President's program in this field. I call it the President's program because he is now supporting it, although there are many of us in the Senate who supported it when the President was still in military life. The records will show, for instance, that the senior Senator from Florida supported such a program very vigorously in 1948 and also in 1949. It was during the time of the Republican control of Congress in 1948 that the flexible support price program was made available as the best type of program to meet our continuing peacetime problems.

In 1949, when there was a Democratic Congress, it was again determined that a flexible price support program was a sensible, sane, peacetime program, which the country should have. That followed a clear declaration by the Democratic Party in its platform in 1948 calling for a flexible price-support structure.

So the senior Senator from Florida has favored such a program for a long time. Although I refer to the program now as the President's program, I want it distinctly understood that the President has simply joined a good many Members of the Senate and the House, and a good many persons throughout the Nation who have a very great interest in agriculture, who for a long time have felt that a flexible price-support struc-

ture is the only sane and sound program to have in time of peace.

At the hearings of January 18 and 19, 1954, on the agricultural outlook and the President's farm program, I personally requested Secretary Benson to prepare and file for the record a statement showing the history of the various price-support programs, and he did so. I now ask that the statement filed by the Secretary of Agriculture, which is printed in the hearings on pages 94 and 95, be printed in the RECORD as a part of my statement.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### USE OF MANDATORY PRICE SUPPORT AT 90 PERCENT FOR WARTIME AND EMERGENCY PURPOSES

Mandatory support of agricultural commodities at 90 percent of parity has been required almost entirely in the past during wartime and postwar readjustment periods. This approach was first used during World War II to stimulate increased production of the 6 basic commodities and 14 nonbasic commodities, and to provide price protection in the period immediately following the close of the war while production was being adjusted downward to meet peacetime needs. It was used for the second time on a temporary basis at the height of the Korean conflict for similar purposes. The second time, however, it covered only the basic commodities for the 2 crop years 1953 and 1954.

#### I. PREWAR SITUATION

While price support for certain agricultural commodities was mandatory for several years prior to World War II, legislation then in effect provided for flexible support rather than rigid support at a high level. This legislation—section 302 of the Agricultural Adjustment Act of 1938, effective February 16, 1938<sup>1</sup>—required corn, wheat, and cotton to be supported at levels between 52 and 75 percent of parity. Peanuts were added on April 3, 1941, with flexible support at from 50 to 75 percent of parity.

#### II. WORLD WAR II AND POSTWAR READJUSTMENT

The Secretary of Agriculture announced the need for increased production of many agricultural commodities to meet expanded domestic requirements and lend-lease needs under the Lend-Lease Act of March 11, 1941. Emergency action to shift price-support programs from the prevailing flexible to rigid high level support was taken by Congress in the spring of 1941 and in 1942, to assist in making the desired shifts in production effective. Initially, the level was 85 percent, but this soon was increased to 90 percent. The fixed levels were first required for only a short period, but eventually they covered a much longer period.

The several different laws in effect during World War II and in the postwar readjustment period establishing rigid high level support were as follows:

Basic commodities: Initial law which required the basics to be supported at a fixed high level was the act of May 26, 1941, which required the 1941 crops of cotton, corn, wheat, rice, and tobacco to be supported at 85 percent of parity. Shortly thereafter, on December 26, 1941, support at 85 percent was made mandatory through the 1946 crops and peanuts were added as a basic commodity for which support was mandatory at 85 percent. Section 8 (a) of the Stabilization Act of 1942 (approved October 2, 1942) raised the mandatory level of support from

85 to 90 percent of parity,<sup>2</sup> and extended the period in which this fixed support level was applicable until 2 years after the President declared that hostilities were terminated. Such a declaration was made on December 31, 1946, and thus the Stabilization Act had the effect of requiring rigid 90-percent support for most basics for 7 years, namely, the 1942 through 1948 crops. While rigid 90-percent support was to have expired with the 1948 crops, it was extended for 1 more crop year—the 1949 crop—under title I of the Agricultural Act of 1948.

Nonbasic commodities: The act of July 1, 1941, generally referred to as the Steagall amendment, required any nonbasic commodity for which the Secretary, by public announcement, had requested farmers to increase production to be supported during the war emergency at not less than 85 percent of parity or comparable price. This minimum level of support was raised to not less than 90 percent of parity, or comparable price,<sup>3</sup> and support required to be continued until 2 years after the end of hostilities, by the act of October 2, 1942. While initially this high-level mandatory support was to have expired with the 1948 crops, title I of the Agricultural Act of 1948 extended support at 90 percent for 1 additional year, through December 31, 1949, for almost half of the Steagall commodities—milk and milk products, hogs, chickens and eggs, and Irish potatoes harvested before January 1, 1949. Support also was required for the other Steagall commodities, but at a flexible level ranging from not less than 60 percent of parity to not more than their 1948 support level.

#### III. RECENT YEARS

Basic commodities: For tobacco, price support at 90 percent of parity has been mandatory since 1950 whenever producers approve marketing quotas. Except for tobacco, there have been two instances in recent years in which price support for the basic commodities has been mandatory at 90 percent of parity.

The first instance covered the 1950 crop year. Congress postponed for that year the operation of the 75 to 90 percent of parity flexible support provisions provided for basic commodities by the Agricultural Act of 1949, and instead required support at 90 percent of parity for any basic commodity for which marketing quotas or acreage allotments were in effect, and for which producers had not disapproved marketing quotas.

The second instance covered the 1953 and 1954 crop years. During the midst of the Korean conflict, Congress<sup>4</sup> again postponed the operation of flexible 75- to 90-percent supports for the basics, and instead required any basic commodity for which producers had not disapproved marketing quotas to be supported at 90 percent of parity. This provision, like the similar provision in effect during World War II, was justified primarily on the grounds that it was needed to stimulate high-level production required during the wartime emergency and to provide price protection in the readjustment period following the termination of hostilities.

Nonbasic commodities: Mandatory support for certain nonbasic commodities was continued effective with 1950 production under the Agricultural Act of 1949, as

<sup>2</sup> Later amendments required support of the 1944 crop of cotton at 95 percent of parity, and the 1945-48 crops at 92½ percent of parity.

<sup>3</sup> A few of the Steagall commodities, such as flaxseed, soybeans, were supported at levels in excess of 90 percent of parity.

<sup>4</sup> Public Law 585 approved on July 17, 1952. See also sec. 402 (d) (3) of Defense Production Act, as amended by Public Law 429, 82d Cong., June 30, 1952.



amended, but the legislation generally provided for flexible rather than rigid 90 percent of support.

The above description refers only to mandatory support authority and it should be noted that throughout this period the Secretary of Agriculture also had discretionary authority to support the price of any agricultural commodity.

For example, nonmandatory price supports on cotton, corn, gum naval stores, and some other commodities were made available during the period October 17, 1933, until the passage of the Agricultural Adjustment Act of 1938, under the authority of the Commodity Corporation's Delaware charter. In most cases, loans were made at not more than 75 percent of parity and in many cases at levels substantially below 75 percent.

Section 302 of the Agricultural Adjustment Act, in addition to providing mandatory support for some commodities, also authorized loans on any agricultural commodity. This authority was used from time to time to support the prices of certain commodities.

Since 1950 price support on cottonseed, flaxseed, soybeans, and a number of other nonmandatory commodities has been undertaken under section 301 of the Agricultural Act of 1949, as amended. That section permits support at any level not in excess of 90 percent of parity, after considering the 8 factors specified in section 401 (b).

(Price Division, January 25, 1954.)

Mr. HOLLAND. Mr. President, although I asked the Secretary of Agriculture to prepare this brief history, and he did so, and although I have filed it in the Record, I think it is appropriate to make some additional remarks which I believe are not covered in the written communication of the Secretary of Agriculture in the detail to which they are entitled. Before I do so, however, I wish to state that I fully approve of the position of the Secretary of Agriculture and of his interpretation of the historical statement that the 90 percent rigid price-support program for certain commodities was entirely a wartime measure, that it was never regarded as being anything else, and that its perpetuation is an effort to continue in effect in peacetime a war measure which offered special inducements for increased and abnormal production. It was not intended to be a part of the normal peacetime production machinery.

The trouble is that just as the price-support program was offered as an inducement for abnormal production in time of war, and as it operated to produce abnormal supplies which were needed at that time, so it results in exactly the same way in time of peace, when abnormal production is not necessary, and when the continuation of abnormal production is beginning to bring surpluses which are scandalous, surpluses which are impairing the confidence of the public generally in the soundness of the agricultural support-price program, surpluses which are confronting our Government with ever-mounting problems of depreciation of food supplies and the dumping of food supplies. A surplus food problem has been created which is so great that the Government is now spending more than \$700,000 a day for storage alone, for the holding in as safe conditions as may be possible the vast surpluses which exist.

I am sorry that my friend, the distinguished junior Senator from Minnesota [Mr. HUMPHREY] is not present, because yesterday he stoutly denied that there were any surpluses, particularly with reference to butter. He stated that he felt the huge supplies of butter were simply inventory, and that they had proved to be such. All I can say is that if that be true, the junior Senator from Minnesota is the first person whom I have found who is willing seriously to state that conclusion. I think all citizens of our Nation know perfectly well that butter is spoiling; they know perfectly well that butter has accumulated in such huge quantities that it has become a scandal; they know perfectly well that it is continuing to accumulate; and that the pitiful fact is that because of the 90 percent support program, which was allowed to remain in force too long, good people were encouraged to sell, not whole milk, but milk which had been diminished in its nutritive qualities, and to send much of their cream to creameries, so that the creameries have become swollen with profits because of the operation of the milk price-support program.

There is not the slightest doubt of that. The program has not redounded directly or fully to the protection of the dairy farmers; instead, it has created more and more creameries and processors, and more and more fortunes among that group.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. AIKEN. The Senator from Florida is aware, I take it, of the propaganda being circulated by those who believe so firmly in high rigid supports, and the Government as a market, and that the high costs of storage are due to the greatly increased rates which are being paid, rather than to the increased Government ownership of the commodity.

Will the Senator from Florida permit me to point out that the rates paid to commercial grain elevators have increased only 5 percent over the past 2 or 3 years? It is the volume of commodities owned by the Government which has resulted in the cost of almost \$750,000 a day, and not the increase in rates of pay for storage. Storage costs are now running from \$600,000 to \$700,000 a day. They are a little bit less than they were in the period immediately following the wheat takeover, but they will increase drastically, it is expected, during the 2 months just ahead, as a result of the takeover of the 1953 grain-loan collateral.

But the point I wish to make is that the increased storage cost is due almost wholly to increased quantities of commodities owned by the Government, and not to increased rates of storage paid, as the advocates of Government controls and Government ownership are trying to make the country believe.

Mr. HOLLAND. I thank the Senator from Vermont for his comments, which are, of course, completely true. In order to point them up at this time, I read from what I believe to be the latest statement of the Department of Agriculture, showing the quantities of butter, cheese,

and dried milk on hand, both in terms of pounds and in terms of value:

Butter, 385,363,991 pounds, having a value of \$257,700,613.

Cheese, 392,276,022 pounds, having a value of \$157,911,816.

Dried milk, 644,459,916 pounds, having a value of \$106,250,252.

The total valuation of dairy supplies in storage, belonging to the Government as a result of price-support purchases as of May 31, 1954, is approximately \$522 million.

Mr. President, that amount has accumulated in spite of many programs for the diminution of those supplies, such as the school-lunch program, under which great quantities of dairy products have been distributed for our school children; such as the program which resulted in the sending of material quantities to various institutions which otherwise would not have received them, and such as the program which resulted in the selling of a good many million pounds of butter to the Army at a price of twenty-some cents, as contrasted with the actual price of acquisition, under the price-support program, of nearly 3 times that amount.

In other words, various avenues of distribution available under the law have been utilized in the effort to diminish that tremendous supply, which even the junior Senator from Minnesota [Mr. HUMPHREY] admitted represented an 18 months' supply of butter in the Government's hands. That amount would represent what the Nation would ordinarily consume in 18 months, at the time of the preparation of the figures which he quoted, which I believe were not quite so large as the figures I have placed in the Record.

Mr. GILLETTE. Mr. President, will the Senator from Florida yield for a question?

Mr. HOLLAND. I yield to the Senator from Iowa.

Mr. GILLETTE. I believe no Member of the Senate has a finer record evidencing an interest in the agricultural industry than has the Senator from Florida who is now speaking. I have had occasion to sit with him in committees, and that compliment is made in all seriousness.

Mr. HOLLAND. I thank the distinguished Senator from Iowa. He certainly is one of the staunch friends of farmers, and has always thus been recognized. There is no better friend of the farmer than he.

Mr. GILLETTE. I thank the distinguished Senator for that compliment. The Senator from Florida was discussing the fact that the program of high, fixed supports for farm income was a war measure, and was intended to meet the needs of a war economy, and to stimulate production, which, under present conditions, has resulted in surpluses.

Does not the Senator from Florida believe that he is dealing with an equation, and that if one side of the equation is stimulated to a certain point, the other side of the equation must be stimulated in order to keep it in balance? If one side of the equation is lowered from 90 percent to 75 percent, or any

other percent, without corresponding adjustment of the other side of the equation, the whole situation will be thrown out of balance. Is not the situation in which our agricultural industry finds itself today—one in which there has not been a diminution in the war level of prices which the farmer is paying for goods he buys, but he finds his income lowered? Does the Senator think it is fair to deal with only one side of the equation, and attempt to let that follow the course of economic adjustment, and compel the farmer to pay the enhanced prices he has been paying since wartime?

Mr. HOLLAND. Mr. President, the Senator from Florida is greatly interested in having a permanent program which will give some measure of permanent help to the necessary agricultural producing groups. The Senator from Florida cannot help but recall that in the case of Irish potatoes, which came into the price-support picture at the same time milk did, as a part of a war measure, the scandals became so great that the public demanded that the support of Irish potatoes be entirely eliminated. The Senator knows that is the national feeling at this time.

I call to the attention of the Senator from Iowa the fact that, vast as were the losses from Irish potatoes—and they exceeded half a billion dollars—that figure will have been clearly exceeded by milk and milk products by the time we finish the year in which that program is now in operation.

As I pointed out by the figures I placed in the RECORD, the present value of the milk products now in the hands of the Government, or at least those which were in the hands of the Government on May 31, 1954, is approximately \$522 million, and the accumulation has continued, and will continue piling up until the end of the present year.

The Senator from Florida is not one who feels we should interrupt the program during the course of the year. I think when the Government has given its assurance, through its duly delegated representative, the Secretary of Agriculture, as to the program for the rest of the year, and when that program is clearly in accord with existing law, it is not fair play to stop the program during the year. However, it is the deep conviction of the Senator from Florida that the persons engaged in that industry are courting disaster by failing to put their own house in order.

I wish to say for the record that the Senator from Florida was present in the Committee on Agriculture and Forestry when the present Secretary of Agriculture appeared before the committee for his first conference, more than a year ago—I believe it was in February of 1953—to get the views and the advice of the members of that committee, who had been here, of course, longer than he had, as to what he should do in the troublous field of milk and milk products price supports.

A considerable number of the members of that committee, including the Senator from Florida, advised the Secretary of Agriculture at that meeting,

and in the presence of other members of the committee, and in the presence of members of the industry that they felt that the beginning of the reduction should be at that time. At that time there were assurances given by leaders in the dairy industry, made in my presence, that there was a need for them to put their house in order and they would do so, and that if they could retain the 90-percent figure throughout that year, they assured us they would have a program for the better marketing, advertising, and distribution of their products before the year was over.

Mr. President, that did not occur. There was a beginning of an effort in that direction at the end of the year, but it was only a beginning.

I call to the attention of the distinguished Senator from Iowa, who knows as much about this question as does any other Member of the Senate, that this problem was not national in scope. For instance, taking the Southland as a whole, in spite of the fact that we have large industries in the dairy field, there was practically no selling of products to the Federal Government, because we have milksheds of our own which take care of our production. That same observation can be made with respect to most other sections of the country, for instance, California and the northeastern area.

Five or six States have failed to place the production and the distribution of their dairy products in order. Most of the trouble has been occasioned, and most of the burden has been caused, by the huge oversupply which has existed in those 5 or 6 States, which oversupply has had to be purchased by the United States Government under existing law.

I call to the Senator's attention the fact that similar industries, which had similar problems that were even graver, have given attention to their problems and are marketing a greatly increased production over that which caused disaster for them but a few years ago, because they are handling for themselves the acute problems of distribution and processing of their production.

There are other such industries, but I happen to know more about the orange industry than any other. The citrus industry in Florida taxes itself in order to have an advertising program, a research program, a dealer service program, a publicity program, and a program to get fairer transportation rates for its products. I believe that the annual tax, which is levied per box on the Florida citrus industry, is approximately \$6 million a year. While we have not done a perfect job by a great deal—there is still trouble in the case of grapefruit—we have, by the improvements in canned products and by the development of concentrated products, literally tripled our production since the time when we began that program, when many thought we were in a disastrous condition of oversupply.

We have a prosperous industry in spite of the fact that we have never been able to sell for prices even near to parity in the course of that development. I call that fact to the attention of the

distinguished Senator. More frequently than not, our sales price has been under 50 percent of parity, rather than at any artificial level of 90 percent.

From what I hear, I think the dairy industry has finally aroused itself, and is trying to do a similar job for itself, which I think it should do. I think until the dairy industry does that job, it has not lived up to the obligation which it has as an industry.

I do not share the feeling of any Senator who believes it is incumbent upon the Nation to carry on its shoulders the burden of an inefficient or unambitious industry, which is not making every effort to take care of its own problems. That, I say with regret to the distinguished Senator from Iowa [Mr. GILLETTE], is exactly what is being done with reference to the dairy problem.

Mr. President, I should like to discuss the history of the price-support programs. The first program began in 1933, under one of the first acts of the New Deal. Under the first act only corn and cotton received price supports. The provisions for price supports varied down through the years from 1933 to 1937, from 55 to 66 percent of parity on corn and from 53 to 76 percent of parity on wheat.

I recall that that period of time was when we were merging from the disastrous collapse of 1929. Those price supports were considered to be adequate to aid agricultural industries, which were prostrate, in getting out of their difficulties, and to afford them a chance to get back into production.

Mr. President, in 1938 the next price-support program was enacted, and it was in force from that year to 1941, when the war was impending. I call to the attention of the distinguished Senators who are present the fact that that program was a flexible price-support program. That program was the result of 4 years of experimentation, from 1933 to 1937. That program was the product of the thinking of good friends of agriculture and of an administration which was a highly liberal one; and I warmly subscribe to many of the tenets of that administration. That program provided a 52 to 75 percent of parity price-support structure.

In 1941 the wartime legislation was enacted. I think the initial law of the series was passed May 26, 1941. That law required 85 percent of parity on cotton, corn, wheat, rice, and tobacco, for the 1941 crops only.

Mr. President, in that same year I happened to be serving in Florida in an executive capacity. I remember my message to the Florida Legislature, nearly 2 months earlier than that, was predicated upon the fact that war was impending, that everybody knew it, and that the State of Florida and every other State had to alter its economy to fit wartime conditions.

So the act of May 26, 1941, was a wartime act, limited to the one crop year of 1941, requiring 85 percent of parity on the five basic commodities which I have mentioned.

On December 26, 1941, which, as the Senators will recall, was after the attack on Pearl Harbor, the 85-percent of parity



provision was made mandatory by act of Congress to continue through the 1946 crops. In other words, we could see that we had a long pull ahead of us, so the legislation enacted at that time was to apply to all such crops produced, beginning in 1942 and continuing through 1946. One other basic commodity, peanuts, was added to the list of five basic commodities.

Mr. President, in 1942 section 8 (a) of the Stabilization Act, which was certainly entirely a war act, raised the mandatory support price to 90 percent and extended the time to cover a period of 2 years after the President should declare that hostilities had terminated. That Presidential declaration was made, as we all know, December 31 of 1946. With the exception of cotton, the price was fixed at 90 percent of parity. In the case of cotton the Secretary of Agriculture was permitted to go higher, and did go higher, as the Senators will recall, in 2 or more years during the war period.

Mr. President, in 1948, because the Congress felt that the period of 2 additional years after the declaration that hostilities were at an end did not give enough leeway, the Agricultural Act of 1948 was passed extending the rigid 90 percent of parity provision for one additional crop year only, for 1949.

That act was considered with great deliberation and was passed upon the recommendation of a Democratic President and a Democratic Secretary of Agriculture. By that same act, however, the flexible price-support structure was recognized as the only sound program with which we could approach the years of peace which we felt were ahead.

The extension of support prices at 90 percent of parity simply added 1 year to the 2 years which had been previously provided as the leeway years for allowing agricultural industries to overcome the shock of overproduction, which had been brought about by the deliberate inducement of the 90 percent rigid price-support guaranty during the war period.

All the comments I have made, Mr. President, up to this time relate to basic commodities. I wish to speak now for a moment about the nonbasic commodities because later we will be considering amendments which affect nonbasics.

The Steagall amendment of July 1, 1941, again a wartime measure, required the support during the war, at not less than 85 percent, of the nonbasics, which the Secretary should by public announcement request be increased in production during the war emergency. That support price, of course, was raised to 90 percent, and the support was required for 2 years after the end of hostilities, by the act of October 2, 1942.

The Agricultural Act of 1948, which I have mentioned heretofore, extended the support price at 90 percent for 1 additional year through December 31, 1949, for about one-half of the Steagall commodities, including milk and milk products, hogs, peanuts, eggs, and Irish potatoes. Support prices on other Steagall commodities were required to be on the flexible level, from not less than 60 percent to not more than their 1948 support level.

Mr. President, in other words, we have been trying to get away from the war economy and from the special inducements of war measures. Nothing could show this more clearly than the fact that when we were laying down the flexible price-support structure as the only sound one applicable to the basic commodities for the years following the war, 90 percent supports were extended for only 1 additional year, as a breathing space to be added to the 2 years of leeway following the termination of the war, which had been granted to the producers by previous legislation. When we came to the Agricultural Act of 1948 we extended for 1 year only the provisions of the Steagall amendment, but only as to a portion of the commodities which were covered thereby because we felt that the other commodities—I believe there were 14 in all—had not shown such a swollen increase of production that adjustments could not be made in the 3 years which had been allowed prior to that time.

Unfortunately there seem to be some industries which wish to continue on a war level, with the inducements which were designed to create abnormal production. We accomplished abnormal production then, are accomplishing it now, and will continue to accomplish it just so long as such inducements remain in our price support structure.

In more recent years the Agricultural Act of 1949, passed by a Democratic Congress, and pursuant to the declarations of the Democratic platform in 1948, provided price supports for the basic commodities, as follows: In the case of tobacco, price supports must be 90 percent of parity whenever marketing quotas are in effect, but insofar as other basic commodities are concerned they would be flexible except as follows: In 1950, all basics were to be supported at 90 percent of parity; in 1951, each basic commodity was to be supported at not more than 90 percent nor less than the minimum support level determined by the supply level, but in no case lower than 80 percent of parity.

Many Senators have overlooked the fact that in 1951 we were operating under a flexible program in the field of all basic commodities except tobacco, and the same thing is true for 1952, because the 1949 act provided that each basic commodity was to be supported in 1952 at not more than 90 percent or less than the minimum support level determined by the supply level, but in no case lower than 75 percent of parity.

In 1952 the Congress enacted a law requiring 90-percent supports for the basic commodities in 1953 and 1954 unless marketing quotas had been disapproved. That is the history of the price support program to date insofar as the laws affecting it are concerned.

One of the things which has been completely overlooked in checking upon that history has been the fact that we were operating under flexible price supports in 1951 and 1952, as to all the basic commodities except tobacco, and we have had quite a long experience with flexible price supports on other commodities than the basics. I have been surprised, and

almost shocked to note that in spite of the fact that that is the case, and every Senator knows it is the case, repeated statements have been made upon the floor of the Senate to the effect that there is but one way for prices to go under flexible price supports, and that is to go down, that they always go down, and that the adoption of flexible price supports for the five basics will mean dooming the farmers to lower and ever lower prices.

I do not know why my good friends are taking that position, and have shut their eyes to the very clear record of the operations under previous flexible price-support programs, which clearly shows that that conclusion is not only unsound but inaccurate, because that was not the history of the operation of the flexible price supports, either in the early years or in the later years of their operation.

Yesterday, in a colloquy with the junior Senator from Minnesota [Mr. HUMPHREY], I mentioned that there have been two very clear departures from the rule which he announced, in the very recent experience of agriculture. One of them applies to a basic commodity.

In 1951, when we were under a flexible price-support program for basics, the price-support program for peanuts, which is one of the basics, was 88 percent of parity. The next year, 1952, when we were still operating under a flexible price-support program for peanuts, the figure that was set and was operative throughout that price-support year was 90 percent. In other words, the exact reverse of the claim of the Senator from Minnesota [Mr. HUMPHREY] was true. The statement which has been made with such assurance by so many Senators, that the flexible price-support program leads downward and to ruin, has been shown to be not true with reference to the basic commodity which I have mentioned during the only 2 years of recent operations of the basics under a flexible price-support structure.

The other statement I made yesterday, which is true, referred to naval stores—naval stores being resins, turpentine, and other similar products, which are the products of pine trees produced by tens of thousands of producers in a group of States extending from the Atlantic over to Texas, and in a smaller degree produced in California.

The fact with reference to that price-support program is that beginning at a little above 60, that program went up to 90 because of the need for stimulating production, and then because that industry, although it stimulated production, showed some restraint and did not create huge surpluses, it has been kept at 90. It was reset at 90 by the present Secretary of Agriculture in the spring of this year as to this year's production, and that level is in force now.

The flexible price-support program can easily remain at 90 in the case of every industry that shows any restraint or self-discipline. That was clearly shown in the case of the industry just mentioned which, by law, has been operating under a flexible program from 60 to 90 percent but which, beginning close to 60, went to 90, and has remained

there because of the restraint of the producers.

Mr. AIKEN. Mr. President—

Mr. HOLLAND. I yield to the Senator from Vermont.

Mr. AIKEN. Does not the evidence submitted by the Senator from Florida in regard to the operations of flexible price supports in the years 1951 and 1952 also disprove the contention of the high, rigid, fixed support advocates, that a lowering of price supports will not reduce production? Is it not true that peanuts were supported at 88 percent of parity in 1951 because the supply was not in line with requirements, and that it was necessary to maintain that 88 percent support only 1 year, before the peanut producers put their production in line with requirements and under the flexible support program earned 90 percent supports the following year?

Mr. HOLLAND. Of course, the Senator from Vermont is correct. The operation of the peanut growers in that regard has been duplicated by the operations of many other groups which I shall mention in a moment, showing that instead of being an unintelligent mass of humanity, which simply tries to produce more when the price goes lower, as has been suggested determinedly by some of our opponents during this debate, the exact reverse is true.

There is not any more intelligent group of citizens in our Nation than agricultural producers. When the price is low they diminish the supply in an effort to increase their price. They do that whether there is a price-support structure or not. But, in particular, in the case that the Senator has mentioned, the peanut growers did exactly what he has indicated. There was too great a surplus, too great a carryover, prior to the 1951 operation, and they saw their price-support structure go down to 88. So, they brought their production in line so that the next year, during the operation of the flexible program, their price support went up to 90.

Mr. AIKEN. Is it not also true that under the flexible program proposed by the minority members of the committee, while the Secretary could set the support of peanuts, and probably will set the support of peanuts, at 86 percent for the 1955 crop, the peanut grower, by regulating his own production, can earn 90 percent supports for the 1956 crop and, conceivably, earn 90 percent support for the 1955 crop, even though the support level is set at 86 percent at planting time, if he brings his production in line with the requirements and with the goal set for him before harvesttime; and he can raise that support from 86 percent to 90 percent to apply to the current year's crop?

Mr. HOLLAND. Of course, the Senator from Vermont is entirely correct, and the producers of peanuts can put themselves back on the 90-percent-of-parity program. He points up the fact that so long as the Government continues a situation under which it is the preferred customer of agriculture and guarantees the purchase of everything agriculture can produce at a high price, we shall always have one attitude on the

part of agriculture. However, when the Government asks that agriculture enter into a cooperative arrangement with the Government, under which, by showing some restraint and self-discipline, agriculture can improve its own condition, both in the markets and with reference to the price-support structure, by controlling its production, we always find a sounder result and a sounder reaction from agriculture. That is exactly what I shall show by quoting some other statistics.

What I am about to say will be a little in detail, but I believe it is completely necessary to show for the Record that the conclusions—and they are unsound conclusions—which have been stated in the Record repeatedly, to the effect that a flexible price-support structure means a downward price structure, are completely negated by the operation of flexible price supports during the three periods that we have had them in operation.

I quote from a document published by the Department of Agriculture, entitled "CCC Price Support Statistical Handbook." It is available to every Senator, and I presume most Senators have seen it.

I shall quote from pages 3 and 4. The table shows the percent of parity at which the Commodity Credit Corporation has supported agricultural commodities annually from 1933 to 1953.

I commend the reading of that table to all Senators. It is such a long table that I will not have it reproduced in the Record. However, I shall quote from it, and I shall quote all the figures pertaining to the flexible experience of the crops which I shall mention during the periods which I shall mention. Senators will look in vain for anything that shows a contrary picture in connection with other commodities.

First, with reference to the earlier price supports, which might be considered to have been in effect under the flexible program, that is, under the 1938 law, with respect to the four commodities which were covered at that time for as many as 2 years, this is the experience:

In the case of corn, in 1938 the price support was 70 percent. In 1939 it was 69 percent. In other words, it went down 1 percent. However, in 1940, which was the last year of the operation of the corn program under that particular program, it went up to 75 percent, which was the maximum permitted by law at that time.

I believe Senators will recall that the law at that time provided a support of between 52 percent and 75 percent. Therefore, during those 3 years, although in the first year corn began with 70 percent, after the end of 3 years of the application of flexible supports, corn received the maximum price support of 75 percent of parity.

Cotton began with 1938 at 52 percent, which was the lowest permitted under the act. In 1939 it went up to 56 percent, and in 1940 to 57 percent. It never attained the maximum, but the trend was upward, instead of downward, which completely negatives the

position taken by some Senators to the contrary.

In the case of wheat, in 1938 the support price was 52 percent, which was the minimum. In 1939, it was 56 percent. In 1940, it was 57 percent. In other words, the trend or curve of the support under that flexible program was upward in each of the 3 years, instead of downward, as has been suggested.

In the case of mohair, which was supported for only 2 of those 3 years, in the first year, 1938, it was supported at 58 percent. In 1939, it went up to 61 percent.

In the case of wool, which is akin to mohair, in 1938 the price support was 75 percent, and in 1939 it was 78 percent. Neither mohair nor wool was price supported in 1940.

That shows completely, and with all the clarity that anyone could require, that instead of operating as a toboggan to shoot agricultural prices ever downward, the flexible program of 1938 operated in every instance to show an increasing trend of price support which approached the higher levels permitted by that law, and, in one instance, namely, in the case of corn, it attained the highest level, 75 percent.

In the case of tobacco, which was also covered in 2 years of that program, the maximum allowed by the program, 75 percent, prevailed in both 1939 and 1940.

Let us come down to the nonbasic commodities which have been supported under the 1949 law. I invite the attention of my distinguished friends, the Senator from Iowa [Mr. GILLETTE] and the Senator from South Carolina [Mr. JOHNSTON] to this point, because I believe this demonstration is completely the reverse of what some Senators have contended as to flexible supports during the course of this debate, and therefore I should like those two distinguished Senators to hear what I have to say.

Under the nonbasic history of the 1949 law, in the case of mohair, the trend is shown to be always upward, beginning with 74.1 percent in 1950, the same figure for 1951, 75 percent in 1952, and 80 percent in 1953. The trend is shown to be always upward, because with the application of a flexible price-support program, inducement is given to farmers to set their own house in order and to adjust their production to the level of demand.

With reference to honey, much the same situation is shown by the record. Beginning with a 60-percent price support in 1950, the 60 percent continued in 1951, went up to 70 percent in 1952, and again was 70 percent in 1953. So the trend was upward in the case of the price support on honey.

In the case of tung nuts, beginning with 60 percent in 1950, the program went up through 2 years at 60 percent, then up to 62 percent in 1952, and up to 65 percent in 1953. I regret that it did not go higher.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Louisiana.

Mr. LONG. Does the Senator from Florida agree with me that there are so



many factors affecting the tung oil situation that the price support which tung nuts receive is only one of a great number of factors, and therefore is not necessarily the determining factor?

Mr. HOLLAND. I agree entirely with the Senator from Louisiana. The point I am presenting—and I am sorry that the Senator from Louisiana was not in the Chamber earlier—is that, in spite of the fact that some Senators have stated rather frequently during the debate that the flexible-support structure is a down-grade toboggan and that any industry that is placed on it must go downward, I have been quoting the actual figures, which show that the flexible-support structure has operated in exactly the reverse; and that it has gone from lower to higher support prices. The reason is apparent, because instead of inducing the farmer to produce everything he can sell to the Government, which is true under the 90-percent support level, it induces him to strive for better control of production and to get his production more in line with demand. When he does so he knows that the price support structure will go up. In the case of tung nuts, which are an illustration but not one of the better illustrations, it appears that it began with 60 and has now gone up to 65. I hope, with the distinguished Senator, that it may go higher, although I recognize, as he does, that this is only one factor affecting the tung nut producer.

Mr. LONG. The main difficulty is the large production of tung oil in various areas, including Argentina and particularly Communist China, which production from time to time slips into this country even when we try to prevent it.

Mr. HOLLAND. The Senator is correct. The problem of the tung nut producer is much the same as the problem of the wool producer. We do not produce all our needs in this field. There are great masses of tung oil, just as there are great masses of wool, produced elsewhere, and at prices upon which our people cannot operate satisfactorily.

I remember that the distinguished Senator and, in fact, all Senators from the producing area, were active in having a quota applied to shipments from Argentina but a short while ago. But there are other factors involved than the price support.

The point of my comment is that under a flexible program the price support has gone upward for tung nuts just as it has for every other product which is under the flexible program.

I come now to barley. There has been a great deal of discussion about barley in the current debate. There has been what I consider to be a most unwise effort on the part of some to put barley under a mandatory high support program. Barley has been under a flexible program for the past 5 years, and I hope Senators will follow me when I read the figures of price support granted as the barley producers have been bringing their production in line with demand and getting consistently higher support prices from our Government throughout the 5-year period. Beginning in 1949 with a 72-percent price support, they found the

price support increased to 75 percent in 1950. The 75 percent continued in 1951. In 1952 it went up to 80 percent, and in 1953 it went to 85 percent.

I think that is another illustration of the fact that, instead of offering a down-grade toboggan to agricultural commodities to which it is applied, a flexible price support offers an invitation to achieve order, an invitation to adjust production in line with consumptive demand. That is what we need so badly in the case of industries which in many instances have been mining our precious soil in order to produce commodities to sell to Uncle Sam, until finally he has on hand huge stocks which have become indeed a national scandal.

Let us go next to the field of edible beans. In 1950, edible beans were supported at 75 percent, and again in 1951 at 75 percent, but apparently production was adjusted to demand, because in 1952 they went up to 85 percent, and in 1953 to 87 percent price support.

Again, I reiterate that the point is that the flexible price-support programs put the agricultural industry in a position of partnership with the Government. Under a flexible price-support program the farmer is asked to restrain himself in production; to produce an abundance, but not an overabundance. It is to his own interest to produce in such measure that there will not be any heavy surpluses or heavy carryovers. It is to his interest because in the market place his prices go up. Also, in connection with the price-support structure he gets a better deal from the Government if he brings his production in line with consumption. I think that clearly appears from the various recitals which I have been making.

Mr. LONG. Mr. President, will the Senator further yield?

Mr. HOLLAND. I yield.

Mr. LONG. It occurs to me, however, that the fact that some products, such as wheat, corn, and cotton, were being supported at 90 percent might have caused those who were producing beans to shift away from bean production when beans were being supported at only 75 or 80 percent. That might account for the fact that a lesser production of beans caused the parity ratio on that commodity to rise.

Mr. HOLLAND. That possibly has some place in the picture. If it does, it bears out the statement I have repeatedly made, that the 90 percent rigid price support structure invites overproduction. It was created to do that. It was created as a war measure. It continues to invite overproduction in time of peace, and there is no justification to continue an invitation to overproduction in time of peace. If it be true, as suggested by the able Senator from Louisiana, that farmers have been called away from the production of nonbasic commodities to basic commodities because they can sell the latter to the Government for 90 percent, I say that but bears out the argument we are making that the rigid 90 percent price support structure is not in the interest of the Nation and, instead, continues to induce the

production of huge surpluses which have become a national scandal.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. LONG. I am sure the Senator would agree, however, that it is a wise policy to have on hand a large surplus of various commodities against the possibility that we might have a drought or a nationwide crop failure.

Mr. HOLLAND. I think that is true, and I have always supported the idea of strategic reserves. I have supported and I am now supporting a set-aside in this bill, provided we can adopt a flexible price-support structure. I shall never support a set-aside which is merely an artificial way of trying to forget about the billions of dollars' worth of investment resulting from 90 percent fixed supports so we can continue with unrestrained overproduction.

Various set-asides are included in both the bill of the majority of the committee, which is the pending business—and that majority consisted of 8 able Senators who are friends of agriculture—and the bill supported by the minority of 7, and I think we are just as good friends of agriculture as are the 8. While a difference is reflected in some fields, it is not reflected in the field of set-asides. We all favor substantial set-asides, but in the case of the 7 Senators, they are conditioned upon reaching a flexible price-support basis rather than offering a continuing inducement to overproduction.

I think the Senator from Louisiana has supplied a good illustration of just how overproduction is accomplished. The 90 percent rigid price-support structure has invited overproduction in fields which had the 90 percent, and has resulted in the conversion of acres which had been producing other crops to the production of the basic, 90-percent-supported crops. The Senator knows that that is wrong.

Mr. LONG. Mr. President, will the Senator further yield?

Mr. HOLLAND. I yield.

Mr. LONG. It seems to me that if we had a flexible element in our price-support program, we ought at least to try to peg the overall average of commodity prices for agriculture to a 90-percent average. If we have a major surplus of wheat, more than we can handle, perhaps we ought to shift over to other commodities.

It seems to me that we should try to maintain at least a 90 percent of parity average price for all forms of commodities, while shifting up and down on various commodities to try to assure expanded production of those that might be in less plentiful supply. However, I see nothing to be gained by the failure to produce food, because from time to time food is needed throughout the world.

Mr. HOLLAND. Of course the Senator from Florida does not advocate failure to produce food. The Senator from Florida advocates a very fine and substantial support price program for the storable basics, and he will always advocate that. He thinks that the continuation of wartime price supports has proved to be a monstrous thing, because it con-

tinues the same inducements which were designed to produce abnormal quantities in time of war which could not possibly be consumed, either by ourselves or in our foreign trade, in time of peace. It continues to offer that same inducement and to bring about the same result. It seems to the Senator from Florida that such a course is completely wrong and unjustifiable, and the Senator from Florida cannot support it.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. HOLLAND. I will yield to the Senator, but first I wish to complete my reading from the price-support record.

The flexible price-support histories completely negative the statements made by distinguished Senators that a flexible price-support structure is always a down-hill one. Quite the contrary has been shown. Anyone who would make such a statement would have to feel in the back of his head that the farmers of the Nation are unintelligent, and do not know how to go about helping themselves. My own feeling is that there is no more intelligent group in the Nation, and that when the farmers are given an opportunity to get more through price supports, not only in the market place but also as a Government guaranty against hard times, they will respond to it. The record shows that fact. I have quoted the actual figures for edible beans. I have five more items.

Mr. YOUNG. A moment ago I heard the Senator say the increase in support levels for barley was due to the flexible price-support program.

Mr. HOLLAND. No. I called attention to the fact that while the flexible price-support program was in force, barley showed a history of an increase from 75 percent to 82 percent, and then to 85 percent.

I have never contended, and do not now contend, as my colloquy with the Senator from Louisiana [Mr. Long] with reference to tung oil will show, that there are not other factors in the picture.

I am contending that every bit of history we have shows that flexible price supports are not a down-grade toboggan, but instead they invite the cooperation of the producing industries. That cooperation has been forthcoming, and the price structure has gone up.

Mr. YOUNG. Mr. President, will the Senator further yield?

Mr. HOLLAND. I will yield in a moment, but first I should like to complete a discussion of certain points.

Mr. YOUNG. I shall have to leave the chamber in a minute.

Mr. HOLLAND. Very well. I yield.

Mr. YOUNG. I know that the Senator always desires to be fair in his statements. I think he would want to know, in the case of barley, that barley has switched over to a modernized parity formula in the past 4 years, and in so doing has lost about 30 cents a bushel in parity value. So in order to maintain the same feed ratio basis with corn, the support level for barley naturally had to be increased year by year, in order to achieve the same ratio. Corn parity being based on the 1910-14 base period

formula and feed grains on the modernized formula.

The same is true of oats and, I think, 1 or 2 other commodities. That is the sole reason, as I understand, for increasing the support level percentagewise for oats and barley during the past 4 years. The actual price in dollars and cents remained the same.

Mr. HOLLAND. Since the Senator from North Dakota has mentioned oats and barley, and because they are among the commodities to which I was about to refer, if the Senator will remain in the Chamber for a moment, I shall discuss them at once.

As to oats, beginning in 1950 with a 75 percent support price, oats continued through 1951 at the same figure. The support price went to 80 percent in 1952, and 85 percent in 1953.

As to rye, the record is exactly the same. It began at 75 percent in 1950, and continued at 75 percent in 1951. It went to 80 percent in 1952, and to 85 percent in 1953.

With reference to soybeans, also raised in much of the same area, the support price began at 80 percent in 1950, went to 90 percent in 1951, stayed at 90 percent in 1952, and 1953.

As the Senator well knows, the soybean industry itself, knowing the risks of artificial overinducement, has requested in the present year, that its price-support level be cut down to 85 percent. So instead of there being a downgrade toboggan, as the Senator has mentioned, the price-support level shows an upward trend and tone.

So the Senator from North Dakota, and many others, I think, are unjustified in saying—although I do not recall that the Senator has put it just this way—that the flexible price support program is always a downgrade toboggan, and leads lower prices to the producers and industries. The history is exactly the opposite.

Mr. YOUNG. The figures which the Senator from Florida has quoted with respect to oats, barley, and rye are due to an entirely different reason; they are almost solely the result of a switch-over to a modernized parity formula. The Senator has stated the soy beans have had 90 percent support for 2 or 3 years. Yet the cash price now is far above the support level. So the 90 percent support program for soy beans did not do any injustice or harm to the soy bean industry.

Mr. HOLLAND. Does the Senator deny that the representatives of the soy bean industry have recently been to Washington, asking that the support-price figure be reduced to 85 percent?

Mr. YOUNG. The soy bean industry would not need any support level at all with the present demand and adverse weather conditions.

Mr. HOLLAND. The Senator does not deny that that is a fact, does he?

Mr. YOUNG. The soy bean industry would not need a price-support program at all just now under present conditions.

Mr. HOLLAND. There are a few other commodities which I wish to mention for the Record. One is grain sorghums, which began at 65 percent of parity in

1950. That was the support price in that year. Under the flexible program, the price went to 75 percent of parity in 1951, to 80 percent in 1952, and to 85 percent in 1953.

No one would deny for a moment that there are factors in this history and in this record other than the mere operation of the flexible price-support structure. What I am saying—and it is an indisputable fact—is that instead of being a downgrade road to ruin, as has been claimed on the floor so repeatedly during this debate, particularly by the junior Senator from Minnesota [Mr. HUMPHREY], the flexible price-support program has shown that it is a good tool, an excellent instrument, through which the Government can seek the cooperation of producers of agricultural commodities, and under which it has been getting their cooperation, by the reduction of their production, so that there will not be huge surpluses, and so that the support-price level may move upward.

I shall have something further to say in this same field, by way of showing that the surplus on hand of various commodities supported by flexible price-support structures is negligible as compared with the surplus on hand which is supported on the nonflexible, rigid 90-percent basis.

I shall pass now to the next question: What is the present situation? I shall not dwell upon that subject in great detail, but shall merely state that as of May 31, 1954, the official report of the financial condition and operations of the Commodity Credit Corporation showed that the investment of that Corporation in price-supported commodities amounted to \$6,109,295,000, consisting of loans outstanding in the amount of \$2,648,244,000, and inventories on hand at a cost value of \$3,461,051,000.

This amount is practically double the amount on hand as of May 31, 1953, when the total investment was \$3,248,490,000, with loans outstanding in the amount of \$1,357,849,000, and inventories valued at \$1,890,641,000.

So the investment of \$3,258,490,000 in 1953 has been increased to an investment of \$6,109,295,000 in 1954. And the end is not yet, because the inventories continue to go upward, as is shown by later figures than those of May 30.

The price-support operations in four commodities accounted for the backlog of May 31, 1954, as follows:

Cotton, upland, 7,097,988 bales valued at \$1,169,407,068.

Corn, 393,463,175 bushels, valued at \$621,083,006.

Wheat, 205,641,606 bushels, valued at \$452,724,603.

Tobacco, 606,207,666 pounds, valued at \$264,034,588.

Others, all told, \$140,994,660.

The three major items in inventory as of May 31, 1954, were wheat, corn, and butter.

The estimated value of wheat was \$1,715,282,304; corn, \$670,289,697; and butter, \$257,700,613.

Earlier I read into the Record figures showing that the present amounts of



butter, cheese, and dried milk are valued at approximately \$522 million.

The Commodity Credit Corporation had a net realized loss of \$264,688,314 in carrying out the price-support program from July 1, 1953, through May 31, 1954, compared with a net loss of \$61,146,358 for the fiscal year 1953.

Mr. President, I digress long enough to say that the figures show that we are losing money four times as fast now as we were last year, and that we can expect a continuation of the same situation if we continue on the senseless course of inducing overproduction, and that is what we are doing.

Price supports extended on 1953 crops alone through May 31, 1954, amounted to \$4,143,900,000, including loans plus direct purchase, plus purchase agreements entered into, as compared with only \$2,730,500,000 on 1952 crops through that same date.

Mr. President, I realize that in some respects these figures are wearing, so I ask unanimous consent at this time that there be printed in the RECORD at this point in my remarks a table showing the estimated total stocks of the four basic commodities owned on July 14, 1954, by Commodity Credit Corporation—wheat, corn, cotton, peanuts—plus commitments to purchase, less commitments to sell.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Quantity	Total cost
		<i>Thous.</i>
Wheat.....bushels.....	757,001,000	\$1,930,353
Corn.....do.....	354,773,000	578,280
Cotton:		
Upland.....bales.....	132,002	20,322
Linters.....do.....	1,081,341	61,799
Peanuts, farmers stock.....tons.....	10,303	2,485

Mr. HOLLAND. I cite these figures to emphasize the vast increase in the 1953 figures over those for 1952. As I have already stated, they are almost double, which clearly points up the fact that the cost of the rigid price-support program has skyrocketed, and will continue to do so unless corrected.

I heard a Senator say on the floor of the Senate that it was immoral for the Secretary of Agriculture to call attention to the huge surpluses and the fact that they were skyrocketing. In my judgment, it is not only moral, but a necessary part of his duties, if he is an efficient public servant, to report to the people and to the Congress those disturbing facts. Every Member of Congress who is not much disturbed by these skyrocketing surpluses would have to think, not in terms of a sound, long-range agricultural price-support program, but in terms of ever-increasing surpluses and an ever-increasing mining of the soil to over-produce so as to sell our products to Uncle Sam.

Mr. President, the carryover of basic crops this year and last year is shown by a table, which I now ask unanimous consent to have printed at this point in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Carryover principal basic crops  
[In millions]

Commodity	This year (1954)	Last year (1953)	Carryover allowance under existing legislation (estimated)
Corn (Oct. 1).....bushels.....	900	764	1320
Wheat (July 1).....do.....	903	563	139
Rice (Aug. 1).....bags.....	3.4	1.5	5.2
Cotton (Aug. 1).....bales.....	9.7	5.5	3.8
Peanuts (Aug. 1).....pounds.....	296	411.2	150

<sup>1</sup> 10 percent of domestic consumption, plus exports.

<sup>2</sup> 15 percent of domestic consumption, plus exports.

<sup>3</sup> 30 percent of domestic consumption, plus exports.

Mr. HOLLAND. Mr. President, reference has been made to storage charges now being paid. I have a compilation of those dairy storage charges based on the April 21, 1954, inventory plus the projected takeover on April 30 of wheat and other small grains showing that the storage charge was \$692,600 a day; and today it is something like \$700,000.

The table also shows that the added monthly storage charges for cotton and tobacco alone, which were on loan, were \$3,658,000. If that cotton and tobacco had to be taken over and the storage for those crops had to be paid by the Commodity Credit Corporation, that charge would amount to an additional \$122,000 a day to be added to the practically \$700,000 which we are now paying.

Another factor which shows clearly that we are moving in a direction to invite disaster is the showing with respect to the legal authority to borrow held by the Commodity Credit Corporation. Prior to March 8, 1938, that authority was handled by the RFC. On March 8, 1938, the Commodity Credit Corporation was allowed to borrow up to \$500 million.

On March 4, 1939, that authority was raised to \$900 million.

On August 9, 1940, it was raised to \$1,400,000,000.

On July 1, 1941, it was raised to \$2,650,000,000.

On July 16, 1943, it was raised to \$3 billion.

On April 12, 1945, it was raised to \$4,750,000,000.

On June 28, 1950, it was raised to \$6,750,000,000.

Only this year, during the present session, on March 20, 1954, we increased the borrowing authority of the Commodity Credit Corporation to \$8,500,000,000, to enable it to carry out the duties incident to handling the huge surpluses which we have placed upon its shoulders.

The worst of it is that it has already been said that that huge sum is not sufficient. The Committee on Agriculture and Forestry already has considered, and the committee has already authorized the chairman to report to the floor, a bill which would increase that borrowing authority, if necessary, up to \$10 billion, but to any figure below that which the latest available figures might show would be sufficient to carry us through to next year. If that is not a disastrous way to spend the people's money, by deliberately inducing over-

production, the Senator from Florida would not know what to call it.

With reference to foreign markets, there can be no doubt that because of the high price-support program, because of the fact that we are supporting important products at higher prices than other countries in the world can pay, we have been cutting off our own noses insofar as foreign export of agricultural commodities is concerned. I wish I had an opportunity to read in full a statement which I prepared on that subject. However, I shall read a part of it at this time:

Agricultural producers have been particularly hard hit by the decline in United States exports in the past 2 years. Farm products exported in 1951-52—American agriculture's best year in foreign markets—were worth more than \$4 billion; they fell to \$2.8 billion in 1952-53, and in the 1953-54 year just ended they probably did not add up to more than \$2.9 billion.

That is so despite the fact that we have been spending large amounts of section 32 funds in an effort to subsidize foreign exports of our agricultural commodities, and also large sums in carrying out our obligations under the International Wheat Agreement. We have spent many millions of dollars in subsidizing wheat production.

While farm products moved out at reduced rates, exports of nonagricultural commodities, on the other hand, were larger—rising from \$11½ billion in 1951-52 to \$12.3 billion in 1952-53; in the year just ended these exports settled back to \$12 billion.

Farm products accounted for 30 percent of total 1953-54 exports of farm and non-farm commodities; 19 percent in the year before. Agriculture's share of the total in the past 2 years was larger than the levels attained during the war years but well below prewar and earlier postwar years.

And so we are forced to the conclusion that we are pricing ourselves out of world markets by high, mandatory, rigid price-support levels. Anyone who reads the figures cannot help but come to that conclusion. We are doing that despite the fact that we are shipping huge amounts of wheat under the International Wheat Agreement, in spite of the fact that we have given our soldiers huge quantities of wheat, in spite of the fact that huge quantities of wheat have been shipped to India, to Pakistan, and to the inhabitants of East Berlin, and in spite of the fact that we try to find every possible outlet for the justifiable sale of our wheat at a discount or bargain price. In spite of all those factors, our wheat continues to disappear in large measure from world markets, because it is priced out of those markets.

In the case of cotton, our export market has always been a very large consumer of that commodity. It is disappointing to see that the very industries which are so hard hit by this disturbance of their export trade, and which are now having to sell such large amounts of their production to the Government, are not willing to see that they are losing popular confidence, popular support, losing the markets which formerly meant so much to them, and losing their own independence. Eventually every farmer who continues on this course will be subject

to the mandate of the Department of Agriculture which, to its great credit, does not want to continue to exercise such a mandate.

So it seems to me that a reappraisal of their own situation by our farmers must come shortly; and I hope it will come now, because it seems to me that otherwise these great industries, for which every one of us has so much affection, and in which we have such great pride, are simply courting disaster, because they are just gradually squeezing themselves out of existence.

Mr. President, farm products accounted for more than one-quarter of all exports in the earlier postwar years; a peak of 30 percent was reached in the 2 years 1948-49 and 1949-50. These figures are in striking contrast with the far greater importance of agricultural exports early in this country's history; in most years between 1840 and 1900, farm commodities accounted for 70-80 percent of all exports.

Important in the maintenance of exports of nonagricultural commodities was the considerable movement abroad of military goods under the Mutual Security program. From a total of \$1.3 billion in 1951-52, military shipments rose to \$3.2 billion in 1952-53; they fell to \$2.6 billion in 1953-54, but still more than twice the 1951-52 level.

But, even aside from the stabilizing effect of military exports on the movement of nonagricultural products abroad, exports of civilian goods themselves showed no decline comparable in depth and effect with the drop that occurred in farm exports. Shipments of civilian goods totaled \$10¼ billion in 1951-52; they fell to \$9.1 billion in 1952-53, after which they rose to \$9½ billion in 1953-54.

The primary factor underlying the sharply lowered level of farm exports in the past 2 years was the spectacular improvement in agricultural production outside the United States. Exporting countries competing with the United States in world markets had more farm products to sell, and offered them at lower prices. With world agricultural production in relation to population nearly equal to prewar, many importing countries needed to import less; they were willing to let stocks go down in anticipation of lower prices. World prices of many commodities fell—in many cases to levels below support prices in the United States.

As countries once again gained their economic footing, United States foreign economic aid was reduced. Less aid meant smaller shipments of many basic farm export products. Military spending grew and provided foreign countries with dollars, but they spent them carefully and endeavored to use them as much as possible to buy nonfarm goods. All areas did not share in the improved dollar position; Japan—our best customer for farm products—and some countries in Latin America were faced with declining gold and dollar reserves.

The commodity that suffered the most in the export drop was wheat. Exports fell from 478 million bushels in 1951-52 to 317 million in 1952-53, in spite of the International Wheat Agreement. Ex-

ports in the year just ended probably totaled only about 215 million bushels, Mr. President, as compared with the 478 million bushels in 1951-52.

Mr. President, I wonder whether people will stop, look, and listen when they see such clear evidence that we are pricing ourselves out of international world wheat markets. Furthermore, United States sales under the International Wheat Agreement were cut in half by competition from non-International Wheat Agreement sellers.

With reference to cotton, cotton exports fell from 5.8 million bales in 1951-52 to 3.1 million in 1952-53, and totaled about 3.7 million bales in 1953-54.

Mr. President, when are our intelligent farmers—and they are intelligent—going to realize that there is such a thing as pricing themselves out of the world market?

Mr. EASTLAND. Mr. President, will the Senator from Florida yield for a question at this point?

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from Florida yield to the Senator from Mississippi?

Mr. HOLLAND. I yield.

Mr. EASTLAND. Does the Senator from Florida think that 90-percent price supports caused the drop in exports in cotton?

Mr. HOLLAND. I think the major factor causing the drop in exports is the heavy price we placed upon our cotton. I know that the Senator from Mississippi has been using every effort, as a member of the Senate Committee on Agriculture and Forestry, to enlarge the machinery for subsidizing our exports, so as to rebuild our export program.

Mr. EASTLAND. I tell the distinguished Senator from Florida that the reason for the fall in cotton exports was the very liberal subsidy placed on cotton by Brazil. Regardless of what the American price was, Brazil would have undercut it, for the reason that Brazil had uneconomic support prices. In 1951, Brazil had a support price of 50 cents a pound. The National Bank of Brazil got that entire Brazilian crop.

In 1952, Brazil had a support price of 40 cents a pound, and the National Bank of Brazil again got the entire crop.

Then they worked it off, at about 2 cents a pound under the American price.

Regardless of what the support price in the United States might have been, and regardless of what our price for cotton might have been, Brazil would still have undersold us in the international market. As soon as she worked off those crops, the world price of cotton rose.

Today the United States has the cheapest cotton price in the world. Regardless of what the support price in the United States is—regardless of whether it is 90 percent, 80 percent, or 70 percent—it will not increase the exports of our cotton a bit, because, we have the cheapest cotton prices in the world.

All that a reduction in the support price will do, insofar as the American farmer is concerned, will be to reduce his income, but to increase the profits of the textile mills.

Mr. HOLLAND. Mr. President, I appreciate the sincerity of the distin-

guished Senator from Mississippi, although of course I do not agree with his conclusion. I believe that so long as we have the 90 percent rigid-support price-structure, and so long as controls continue with it, we are going to see the same situation which I found in the Rio Grande Valley the year before last. I was there, and I went around with some distressed Texas cotton people, and I saw what was happening there.

Whereas we are trying to bolster this artificial price by allotments of acreage, which our people were observing on our side of the river so that we were reducing our production there, greatly added acreage on the other side of the river, where the lands were exactly like the lands on our side of the river, were being placed into the production of cotton, to take the place in the world market of the cotton which we were denying ourselves the right to produce, by the allotment program, which the Senator from Mississippi well knows is a necessary program, so long as we are going to try to continue the 90 percent rigid price-support structure.

Mr. EASTLAND. Mr. President, what my distinguished friend, the senior Senator from Florida, fails to realize is that the American price has not been an artificial one. Brazil had an artificially low price, which broke the market.

Today we are exporting normal amounts of cotton, and are retaining 90 percent support prices. We can do that for the next year.

So what is the point in reducing the farmers' income, when we are doing nothing but increase the profits of the mills?

Mr. HOLLAND. Mr. President, the Senator from Mississippi knows perfectly well that under the program which is being sponsored by the seven minority members of the Committee on Agriculture and Forestry, of which he is a member, there will be no reduction in the support-price program for the next year.

Mr. EASTLAND. Well, why not write it into law, then, for the next year?

Mr. HOLLAND. He knows there will be no reduction in the support-price program for the next year, because we are trying to bring about a gradual reduction in the production, and also to decrease the huge amounts in storage. We are willing to do that, but we are not willing to see a continuation of production which results in piling up larger and larger amounts in storage—which I feel cannot be continued if we are to continue any price-support program.

If the Senator from Mississippi will remain on the floor—as I hope he will—he will have a chance to hear, in a short time, of the reactions—which I believe are correctly stated—in a State which does not produce a great amount of the basic commodities, but is a very heavy agricultural producing State—the State of Florida, which rapidly is losing all confidence in the entire price-support program, simply because the basic commodity producers, in particular, with the dairy industries added, have insisted upon continuing the 90 percent price-support structure and in mining the soil and producing for sale to Uncle Sam



these excessive and unnecessary surpluses, which have become a scandal.

Mr. President, several Senators have asked me why, of all the six basic commodities, tobacco alone is left by the pending bill on the rigid support price of 90 percent of parity. Since I think this treatment of tobacco is completely justified, I should like to discuss briefly the status of tobacco, which certainly and clearly is in a class by itself. Since 1948, when the Congress, under the so-called Hope-Aiken bill, placed tobacco in a preferred classification, I have heard no challenge from any source of the right of tobacco to maintain this separate and preferred status. That treatment was continued in the so-called Anderson bill, in 1949; and it is significant to note that none of the various proposals now under consideration would alter the tobacco program. Apparently, everyone now concedes that 90 percent rigid price support for tobacco is uniquely suited to that commodity; but I think the RECORD should show some of the reasons for that conclusion.

The operation of the price-support program for tobacco has been of no substantial cost to the Government, while at the same time tobacco has brought to local, State, and Federal governments immense revenues, through excise taxation. In the fiscal year 1952-53, the latest year for which complete figures are available, the Federal Government received in tax revenue from the sale of tobacco, \$1,655,000,000; and the State governments, \$468 million—for a total of \$2,123,000,000. I do not have figures showing the revenue received from tobacco by municipalities; but this, of course, would add a substantial amount to the figure just cited, which in that year was \$2,123,000,000, to the Federal and State Governments alone. In other words, the annual tax revenue from tobacco approximates the farm value of a 1-billion-bushel crop of wheat. I wish that fact to be emphasized for the RECORD, so that it may clearly appear that that fact pertains to tobacco, and that the tobacco industry has become one contributing so heavily to government, and that the continued production of tobacco on a somewhat level basis is a matter of tremendous governmental concern.

The value at retail—consumer expenditures—for all tobacco products in calendar year 1953 was \$5.2 billion, which was divided as follows—and let us note that since the Federal and State revenue figures are on a fiscal-year basis, and the farm value and consumer expenditures are on a calendar-year basis, the figures are of necessity approximate: \$2,030,000,000 in tax revenue; \$2,096,000,000 to processors and retailers; and \$1,074,000,000 to the farmer. The farmer receives only about one-fifth of the retail value of his tobacco. Tax revenue derived from the sale of tobacco is approximately twice as much as the farmer receives, and the processors and retailers receive almost twice as much for their efforts as does the farmer. It is a highly important matter to the Federal Government, therefore, that tobacco growers shall prosper and that there shall be a sustained abundant level of

tobacco production, as free as possible from either overproduction or underproduction.

Consequently, the tobacco crop is almost completely regimented. No other agricultural commodity even approaches, or would desire to have, the strict Government control now exercised over the tobacco industry. The acreage which is planted in tobacco is controlled under a strict quota system which has been approved by the growers by an overwhelming majority. The Federal Government supplies graders, and so forth, to establish markets and carefully follows the handling, processing, and selling operations until retail sale to make sure that revenue stamps are placed on the sealed processed packages in order to protect the tremendous revenues which come into the Federal Treasury from this source.

Another feature of the tobacco industry which sets it apart from all other agricultural commodities is the stranglehold which a relatively small number of buyers representing the processors of tobacco could have upon the growers who produce tobacco. This is well illustrated by an event in a county-seat town in Florida—Jasper, in Hamilton County—which I discussed in the 1948 debate on the Hope-Aiken bill. In this town there was organized and opened a new tobacco market, with the approval of the United States Department of Agriculture which had placed in that market graders to serve it. The trade had been fully notified and it was understood that there would be an adequate number of buyers there, but the buyers chose not to come, and after a few days' operation, that market was closed and the growers of that community were put to great expense and had a near disaster visited upon them. This happened not because that county had not produced a large volume of tobacco, much more than enough to support a market; not because the USDA had not sent its graders there, because it had; but merely because the tobacco companies of the United States and elsewhere who have buyers in the markets saw fit, in their sole judgment, not to allow their buyers to come there. Manifestly, the high rigid support price and strict Government supervision of markets protects the growers against such possible mistreatment by the buyers.

In other words, in that case the Government paid off for the few days of operation, and then transferred the operation to nearby markets so that the grower could be protected on every sale he made. The sales are, of course, auction sales. Still another peculiarity in the tobacco trade is that in the export trade, which is a substantial part of the total, in most instances the tobacco business is a Government-controlled monopoly, not subject to great fluctuations of quantity or price. Since World War II exports of United States tobacco have remained steady without large fluctuations from one year to another.

Further, the tobacco crop is produced on a relatively small acreage. It is grown on approximately 600,000 farms by 850,000 farm families, and the total 1953 acreage in the continental United States was only 1,634,200 acres or less than 2

acres for each farm family. This is only slightly more than 2 percent of the more than 78 million acres planted to wheat in 1953.

It is clear, therefore, that when reductions of acreage of tobacco become necessary, no problem of consequence will arise from diverted acreage either to the individuals whose acreage would be reduced or to producers of other commodities, to whose production the quite small displaced acreage might be diverted.

Further, there are no known substitutes for tobacco and tobacco does not directly compete with other agricultural commodities.

Likewise, tobacco is storable for fairly long periods and its value is enhanced through age. Tobacco is normally stored from 1 to 3 years prior to manufacturing. Since tobacco is storable, variations in quality and supply from one year to another do not present a serious problem because there is time to make gradual adjustments in production and to balance out the grade compositions over a number of crops. The enhancement of value through aging in storage largely offsets the storage costs and interest on Government loans. This factor is not applicable to any other agricultural commodity. Furthermore, available public storage has been adequate to store tobacco held as collateral under the loan program. Therefore, no duplicating of trade facilities has been necessary.

And so, Mr. President, there can be no question whatever that the tobacco industry has no parallel in the price-support operations connected with any other agricultural commodity. The strict quota system; the regimentation of all operations; the relatively small acreage and the absence of any diverted acreage problem; the hazards of unsupported marketing; the fact that the tobacco business in most of our world markets is a Government monopoly, resulting in steady world demand and world prices; the absence of substitutes; the relative storability of tobacco, plus enhancement of its value during storage; and, above all, the tremendous amount of revenue derived from the sale of tobacco by Federal, State, and local governments certainly justify and indeed require that the tobacco farmer be given separate and preferred treatment. To do otherwise might well be killing the goose that laid the golden egg.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the distinguished senior Senator from Kentucky who undoubtedly knows more about the tobacco business than any other Member of the Senate.

Mr. CLEMENTS. I appreciate the extravagant statement and flattering observation of the senior Senator from Florida. I cannot measure up to his words; nevertheless it is pleasant to hear them.

I ask the Senator from Florida if it is not a fact that the cotton program has been equally successful so far as profit and loss are concerned.

Mr. HOLLAND. No; that is not correct in recent years.

Mr. CLEMENTS. Over a period of years what has the cotton program, on

a support basis, cost the taxpayers of the country?

Mr. HOLLAND. Mr. President, the cotton program has not cost the taxpayers any appreciable sum, due largely to the fact that we had a very substantial surplus on hand at the time we entered World War II, which we held and which we marketed to good advantage when conditions permitted it at the end of the war.

Mr. CLEMENTS. Is it not a fact that the Department of Agriculture, in a late release of costs and profits on the support program, shows a figure of \$268 million profit which has been reaped by the Government from the cotton program?

Mr. HOLLAND. I think that is correct. In making my answer at this time I should like to give the reasons which I regret exist, but which do exist, and to which none of us can be blind, as to why cotton cannot be handled as tobacco is handled.

Of course, it is storable indefinitely, even more so than tobacco, and it lends itself to the accumulation and holding of a large strategic reserve which is proposed in the bill offered here by the minority of the seven members of the committee. That I favor.

But the differences which make it impossible to treat cotton in the same way in which tobacco is treated are as follows:

First is the fact that in the case of cotton a tremendous acreage is involved. The Senator well knows that last year the acreage planted to cotton was more than 25 million acres, as compared with a little more than 1½ million acres planted to tobacco. I know we had to reduce that cotton acreage by a measure passed earlier this year, which brought about a smaller reduction than would have been required if the law as it existed last year had been applied, but even under the measure which we passed this spring there was involved a reduction of well over 3 million acres. As I remember it, the reduction was around 4 million acres.

The Senator will note at once that the reduction of cotton acreage this 1 year is equal to more than twice the entire acreage of tobacco planted; and, therefore, cotton happens to be in the unenviable classification with wheat and corn, under which the problem of diverted acres comes into being as a very difficult problem of solution. That problem applies to cotton and does not apply to tobacco.

I should like to state for the RECORD the three other reasons which in my opinion substantiate the great differentiation between cotton and tobacco, and then I shall be glad to yield for questioning.

The second reason is that in the case of cotton, which is unlike tobacco, there are substitutes, both natural and synthetic. The distinguished Senator from Kentucky knows the trouble which has been occasioned in the cotton industry by the synthetics which have come into the field in recent years in very large amounts. The synthetics especially have added to the problems of the cotton

industry. There is no such problem in the tobacco industry.

Third, there is no question of a vast public excise tax revenue to be safeguarded by the leveling off of production, as in the case of tobacco. When we level off production of tobacco we assure to the Federal, State, and municipal governments the continued gathering of excise taxes alone well above \$2 billion a year; whereas in the case of cotton, while it contributes to the ad valorem tax picture—as tobacco does, in addition to the excise tax picture—there is no such grave tie-in between cotton production and the fiscal revenues of the Federal and State governments.

The fourth difficulty has already been referred to in my statement. It is that in some years cotton has been priced out of many world markets. Cotton is now priced out of some world markets. In an effort to meet that situation by producing cotton more cheaply, there is in process—we regret that it is true in the Southeast, but we recognize it—a shifting to some extent of the fields of production to irrigated areas in the West where 2, 3, or sometimes 5 times the volume of cotton can be produced per acre, and where the average cost is less. There is no artificial program of 90 percent rigid support prices, which must have as its concomitant a strict allocation of acreage, which can long prevent the operation of that program of shifting production. We have seen that program of shifting take place in many other fields, and we know that economic principles determine such things.

I am sorry we must lose in our southern area some of our marginal production of cotton. Of course, we are not going to lose production in areas such as the Mississippi Delta and the other areas very well suited for cotton production, but the distinguished Senator knows as well as I that the alert agricultural producers in the Southeast are perfectly aware of the problem which I am mentioning, and are trying more and more to convert acreage which is more or less borderline in this field to other types of agricultural production. That problem does not exist in the case of tobacco.

I should like to be able to say to the Senate and to the public, and the not inconsiderable cotton industry in my own State—would like to take the position that everything is well, everyone is prosperous, and we are able to sell cotton in increasing amounts on the world market and continue the traditional production of the same acreage in our State and other Southeastern States; but we know that the economic forces I have mentioned are in motion, and the alert farmers are steadying themselves so that they will be ready for their operation.

Therefore, the cotton industry is not comparable to the tobacco industry, much as I should like to say that it is.

Mr. CLEMENTS. Mr. President—

Mr. HOLLAND. I yield to the Senator from Kentucky.

Mr. CLEMENTS. The Senator from Florida has given some figures which clearly show that there is 16 to 18 times as much acreage in cotton as there is in tobacco. He would not, I take it, wish

to leave the impression that there are 16 to 18 times as many farmers engaged in growing cotton as there are engaged in growing tobacco.

Mr. HOLLAND. Of course not.

Mr. CLEMENTS. The cotton acreage is much larger than the tobacco acreage.

Mr. HOLLAND. That is true. That is the precise point I was making. The cotton acreage is so much greater that when the acreage is reduced we have a diversion problem, which involves millions of acres. I had already stated that the average acreage per farm family producing tobacco is about 2 acres, and, of course, that is not true in the case of cotton.

Mr. CLEMENTS. Even though there has been a \$268 million profit accruing to the Government under the cotton program, I take it my friend from Florida would say that that has not been a successful program.

Mr. HOLLAND. Yes. My feeling is that in more recent years the program has been showing a loss, and eventually we shall use up the good balance which we attained as a result of the judicious handling of the large surplus we had on hand when we entered World War II. I hope we shall never have to have another world war to make the support of cotton an advantageous thing for our Government. That is the only thing which caused that favorable showing, as the Senator well knows.

Mr. CLEMENTS. Would my friend from Florida agree that a workable surplus in all the basic commodities serves as a bank account to the Government, which is akin to the bank account of an individual?

Mr. HOLLAND. I certainly would. For that reason I have been thoroughly in support of the set-aside program, which gives a very heavy recognition to the storability of cotton and its usefulness in time of emergency. But I am not willing to close my eyes to the fact that we do not solve the problem by simply providing for that set-aside and at the same time continuing to produce much more than we can market.

Mr. CLEMENTS. Whether it is in a set-aside or not, the fact that it is here is a great consolation. I take it my friend from Florida would agree, in case there is a need for it, as we have found on two different occasions in the past 10 or 12 years?

Mr. HOLLAND. The Senator is correct. But any possible need we might have for it is more than anticipated by the approach which is made to this problem by way of a set-aside in the bill offered by the minority.

Mr. CLEMENTS. I do not fully agree with my friend from Florida. I believe he would agree that I take my position after thoughtful and considered study of the matter. I know the Senator from Florida is sincere in the position which he takes. I regret to find myself on a different side from him.

Mr. HOLLAND. I regret to be on the opposite side from the Senator from Kentucky, who I know is a strong friend of the producers of tobacco, cotton, and all other agricultural commodities. The Senator from Florida tries to be a realist when he sees huge surpluses



being created and public confidence ebbing and almost nonexistent in certain areas of the Nation which have a right to be heard, and will be heard, when it comes to the expenditure of Federal money. He hates to see a continuation of a course of action under which the soil is mined in order to sell products to Uncle Sam. He does not think that is sound economy. Holding that belief, he turns to the flexible price-support program as one which he thinks offers the greatest measure of relief to the public and at the same time a better and sounder basis for peacetime supports to the agricultural industry.

Mr. President, the very fact I have just stated, that the tobacco industry produces more than \$2 billion of public revenue in excise taxes, shows more clearly than almost anything else I could say that agriculture does not come to Congress as a mendicant in asking for a fair agricultural price-support structure. Agriculture is a tremendous contributor to the economy of the Nation. I have not sought to discuss its contribution by way of ad valorem taxation and other taxation. I have mentioned that continued and abundant production is of great value to consumers, and I have mentioned other things which show agriculture's great place in the economy of the Nation from every point of view. At this time I simply wish to call attention to the fact that from the standpoint of supplying public revenue, agriculture is not a mendicant and does not need to come to Congress in that guise, because of the huge amounts of revenue which it produces.

However, Mr. President, that does not change the nature of the question. The question is, What kind of price support structure is best for all concerned—best for the farmer, best for the consumer, and best for the Nation? It is in an effort to answer that question on a sound basis that 7 Senators of the Senate Committee on Agriculture and Forestry who submitted minority views offer the flexible program rather than the inflexible, rigid, fixed 90 percent price support structure now in vogue as it applies to 5 of the basic commodities—that is, as to all basic commodities except tobacco, which would not be disturbed by our proposal.

Mr. President, why do we think that the flexible price support structure will bring about a better balanced agricultural production? I have already mentioned in some detail the history of flexible price support programs and have shown that in each instance the flexible program as it has been applied has not resulted in a tobogganing of prices, but has resulted uniformly in a leveling off of supports and in increasing price supports from the minimum toward the maximum. There cannot be any question about that. I have already inserted the official figures in the course of my argument.

At present I wish to devote myself briefly to the proposition that flexible price supports will bring about better balanced agricultural production, and that they will accomplish this by stimulating consumption and removing the present incentive for overproduction

now provided in the case of the 5 basics which are being discussed by the high, fixed, rigid 90 percent support.

We have only to look at our present agricultural program for evidence that surpluses pile up under fixed supports, whereas most commodities which we have been supporting under the flexible system are in relative balance with demand.

For instance, we are currently supporting oats, rye, barley, grain sorghums, flax, and soybeans on a flexible basis—and I hope that the distinguished Senators who are on the floor will follow this—at 85 percent of parity or less. The Department of Agriculture figures reveal that as of June 15, 1954, the average market price for these 6 crops was 85 percent of parity. Soybeans were bringing 124 percent of parity on that date, and the only one of the 6 crops bringing less than 77 percent was rye.

The Commodity Credit Corporation owns less than 45 million bushels of these 6 nonbasic crops, although their total annual production is approximately 2 billion bushels.

Mr. President, I repeat that because I am afraid the distinguished Senator from North Dakota [Mr. Young] did not hear it, and I should like to ask the attention of my distinguished friend from North Dakota.

I shall repeat the statement I have just made, namely, that oats, rye, barley, grain sorghums, flax, and soybeans are all supported on a flexible basis at 85 percent of parity or less. The Department of Agriculture figures reveal that as of June 15, 1954, the average market price for these 6 crops was 85 percent of parity, soybeans were bringing 124 percent of parity on that date, and the only one of the 6 crops bringing less than 77 percent was rye.

The Commodity Credit Corporation owned on that date less than 45 million bushels of these 6 nonbasic crops, although they represent a total annual production of approximately 2 billion bushels.

In other words, the figures which I wanted to call to the attention of the distinguished Senator from North Dakota were that, whereas these 6 crops produce an annual volume approximately twice as large as the annual volume of wheat production, they are under flexible price-support programs, they have not had to be bought in great amounts by the Federal Government, and the total surplus on hand from those 6 crops at the present time is less than 45 million bushels, as compared with the stocks of wheat on hand which are about three-quarters of a billion bushels, with every promise, insofar as the United States Department of Agriculture estimates can indicate, that we will have approximately a billion bushels of wheat by the end of this production year.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be glad to yield in a moment.

I was wondering how the distinguished Senator from North Dakota accounts for the fact that in the case of these flexible price-support programs on commodities the production of which is substantially

twice as much as the whole annual crop of wheat, the Government's holdings are less than 45 million bushels as compared with more than three-fourths of a billion bushels of wheat, which has the 90 percent price support.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. YOUNG. May I have time to fully answer the Senator's question now?

Corn has a rigid 90 percent price support. All the feed grains the distinguished Senator from Florida mentions are tied directly to corn support levels on a rigid basis—on a feed ratio basis, but on a rigid basis. In spite of all of the years of 90 percent support for corn, with the nationwide drought situation now, we shall probably have no surplus at all of corn. In spite of the development of hybrid corn, the pouring on of fertilizer, and very favorable crop years, we shall probably have no surplus of corn or of feed grains.

The story with respect to wheat is entirely different. Wheat is very much a war crop. In times of war we cannot produce enough. We urged our farmers in every way possible to increase their production. We limited our wheat supplies to the rest of the world. We divided our short supplies by export licenses for 9 straight years. We built up a rather abnormal production. Then after the war was over, particularly in the past year or two, we lost most of our foreign markets at a percentage rate far greater than any other surplus producing nation in the world. We maintain almost exactly the same export prices as does Canada, yet we have lost a far greater percentage of our wheat exports than Canada has. So there are many, many factors entering into the picture.

It is a fact that there have been some very favorable crop years for wheat. I think the former Secretary of Agriculture used poor judgment in not calling for quotas for wheat last year. Secretary Benson is not to blame for that, because the quotas had to be set the year before to be effective in 1953. If that had been done, there would not be the surpluses which there are now.

This year the farmers are required to reduce their acreage 21 percent. According to the last forecast for wheat, there will be a reduction of 15 percent in production compared to that of a year ago.

Probably when the next forecast is made, considering the great deterioration in the spring wheat crop, there will be at least a 20 percent reduction in the wheat supplies, as a result of the acreage reduction this year.

Mr. HOLLAND. I thank the distinguished Senator from North Dakota. I do not find his reply satisfying. The thing which dissatisfies me most is that while he has openly stated on the floor of the Senate that the use of the very inducement which encouraged the overproduction of wheat during the war was the application of the 90 percent rigid price-support structure, the Senator does not now indicate any willingness to withdraw that inducement for overproduction. That is the key to the whole difficulty. The Senator admits that the 90

percent rigid price-support structure constitutes an inducement and an invitation to the highest production possible, and that its continuation will accomplish exactly the same result. It is that result, and the continuation of the inducement, to which the senior Senator from Florida objects.

Mr. YOUNG. Mr. President, will the Senator further yield?

Mr. HOLLAND. Let me make one further comment, so that the Senator from North Dakota will know how I am thinking. Then he may reply as he sees fit to those comments, too.

I find unconvincing the statement of the distinguished Senator as to why in the case of the six nonbasic flexible price support crops which I have mentioned, which produce a crop volume substantially twice as much as does wheat, there is now a surplus, which the Government holds, of less than 45 million bushels, whereas the wheat surplus on hand, from a crop which produces one-half the volume of the 6 nonbasic crops, shows the tremendous total of 750 million bushels, which is constantly rising.

The Senator from Florida does not follow the explanation made by the distinguished Senator from North Dakota, nor does he regard it as adequate to explain that fact, which, it seems to me, shows very clearly that the flexible price support program produces more in line with the demand than does the rigid support system. I do not see any way to avoid that conclusion.

I wish to mention another factor, too. The average price in the market for the six nonbasic commodities on June 15, 1954, was 85 percent of parity; whereas on the same date the average price in the market place for wheat and corn was only 77 percent of parity for one and 82 percent for the other. Both of those commodities are subject to the rigid, so-called inflexible 90 percent price supports, which have not been really bringing that price at all to the producers. I should like to add that additional fact. How is it that the Senator from North Dakota explains that the average price for the 6 nonbasic commodities, which produced a 2 billion bushel crop in the market place was 85 percent of parity on June 15, 1954, whereas in the case of wheat and corn the average price of wheat was 77 percent, and of corn 82 percent?

Mr. YOUNG. There are several factors involved. The first is the switch-over to the modernized formula of parity on grains. But I do not think it is necessary to go into that.

Mr. HOLLAND. Does the same switchover apply to all the commodities? The switchover is certainly realistic.

Mr. YOUNG. No, it does not apply with respect to the basics.

In the past several years, as the Senator knows, there has been a switch in diets in America. The people want more meat products, more poultry, and foods like that.

Mr. HOLLAND. Does the Senator from North Dakota think that by the proposed legislation that shift can be stopped?

Mr. YOUNG. Will the Senator from Florida let me answer his first question?

Mr. HOLLAND. I apologize. I am glad to yield.

Mr. YOUNG. With the tremendous increase in numbers of cattle, hogs, and poultry, the farm industry has been taxed to provide all the feed necessary to take care of the meat production. In fact, 151 million bushels of feed grains were imported last year in addition to our own production.

So far as wheat is concerned, the per capita consumption has remained approximately the same for the past 20 years. The need for feed grains has not been increased as much in wartime as is the case of wheat, cotton, and corn.

The Senator from Florida knows that in every war in which we have been engaged, there has been a shortage of wheat and cotton. There is no way in which we can produce enough of those products to meet all our requirements. Therefore, it was necessary to provide the 90 percent support price as an inducement, as the Senator knows, during the war. In fact, the cash price for wheat was above 90 percent throughout most of the war.

But the most significant factor was that the Department of Agriculture urged the farmers to produce more wheat. The Department helped the farmers to obtain the machinery with which to do that. Even more important, under the draft law, farmers' sons and hired help were deferred, when necessary, in order to bring about increased production. Every farmer, as the Senator knows, was permitted a certain number of draft exemptions with relation to the number of production units on his farm. So farmers, being patriotic, and desiring to meet the war needs, naturally increased the production of the commodities which the President desired to have produced in additional quantities.

As recently as 2 years ago, in 1952, when we were in the Korean war, the Government of the United States asked the farmers to increase their wheat production 118 percent over the previous year. Dairy producers and others were not asked to increase their production by any such percentage.

Mr. HOLLAND. I thank the distinguished Senator from North Dakota. I confess that, so far as I am concerned, I see no reason why the contrast should not be made. In fact, I think the American people are going to make the contrast. I think the producers of wheat and corn, if they are wise, will themselves make the contrast between what is happening to them and what is happening in connection with the six nonbasic commodities which I have mentioned.

On June 15, 1954, the average market price of the 6 nonbasic commodities was 85 percent of parity. However, they have only flexible price supports, the highest being 85 percent.

On the other hand, in the case of wheat, the market price on that date was 77 percent of parity, and the market price for corn was 82 percent of parity.

In spite of the 90 percent inflexible, rigid price supports for both corn and wheat, the farmer was getting less for

his product in the market place, and Uncle Sam was having to buy more of the wheat and the corn. The lamentable fact is that on that date in excess of 750 million bushels of wheat were in Uncle Sam's hands, and in excess of 350 million bushels of corn were in Uncle Sam's hands; and the current harvesting seasons were just beginning to show their effects in both cases. The surpluses will go up, and the supplies to be held by Uncle Sam will go up.

It seems to me that it is unanswerable, when the facts are examined, that the six nonbasic crops, having a volume twice as great as wheat, are in a favored position as compared with wheat. They are getting an average of 85 percent in the market place. Wheat is getting 77 percent in the market place. The producers of the six nonbasic crops are not mining their land in order to sell their products to Uncle Sam, whereas the wheat farmer, in large measure, is being forced to do so.

Today the Commodity Credit Corporation owns outright some 350 million bushels of corn, and the indications are that it will acquire that much more under the current loan program. In other words, it appears that the amount of corn in Government hands will be about twice that much by the end of the present harvesting season.

The Commodity Credit Corporation owns more than 750 million bushels of wheat, as the new crop moves under loan.

There must be some significance in the fact that the Commodity Credit Corporation owns three-fourths of a year's wheat crop, and about 12 percent of a year's corn crop, but only a little more than 2 percent of a year's production of the six nonbasic crops which are supported on a flexible basis.

Which is better for the country, the program which shows Uncle Sam owning approximately 2 percent of the entire production, or the program which shows him owning 75 percent of a year's production, as in the case of wheat? Which is better for the farmer, the program which shows an average price in the market place, on June 15, 1954, of 85 percent of parity for the producer of nonbasics, or the program which shows, on the same date, an average price in the market place for the wheat producer of only 77 percent of parity?

Mr. President, it seems to me that the question can be answered only in one way, and that is that it is so obvious that those commodities which are under flexible price supports have behaved better, are doing better, and are in partnership with the Government, instead of being simply preferred producers for the Government and the Government being a preferred customer for them, which is the case of the rigid price support commodities, other than tobacco.

In passing, I should say, too, there has been no occasion for the Government to purchase rice. I shall discuss that for a moment. A rice market is a world market. The greatest producing area of rice, the Indochina area, has been disturbed by war for years. As we would expect, we find that farmers in the United States have greatly increased their acreage of rice, and have greatly increased their



production. They have more than doubled their production of rice in the post-war years. In most instances they have been selling rice at well above 100 percent of parity, and rice is still selling above 90 percent of parity. Again we see that in the case of a production area where there is an inducement for the farmer to increase his crop, he may always be found to be intelligent enough to increase it.

We are going to find that many producers will continue to produce every bit of wheat they can as long as 90 percent rigid price supports are kept in effect. That is what the wheat farmer has been doing. He has been continuing that under the program of exaggerated inducement to production which the Senator from North Dakota [Mr. Young] described in his colloquy with me a few moments ago. The program was designed to give exaggerated impetus to overproduction. It did that. But what is the commonsense in continuing such an inducement in time of peace, when we know such a program will simply result in continuing the piling up of huge surpluses?

The truth seems to be that commodities under flexible price supports are produced at a level at which they are consumed, while at least some of the commodities under rigid supports are not consumed.

We are beginning to see further evidence of that fact in the dairy situation. Our efforts to support dairy products at 90 percent of parity resulted in huge accumulations of butter, cheese, and dried milk. High supports encouraged record-breaking milk production at a time when consumption of butter was being forced down as a result of this very policy.

We have got to use a little commonsense, and our producers have got to use a little commonsense. The fact of the matter is that we are not using commonsense in this field, because, to repeat the last sentence which I just uttered: "High supports encouraged record-breaking milk production at a time when the consumption of butter was being forced down as a result of this very policy."

The Secretary of Agriculture wisely reduced the level of dairy supports to 75 percent of parity at the beginning of the new marketing year. At the same time the industry and the Government cooperated in a national promotional plan to stimulate the use of dairy products.

That begins to show a more intelligent approach to the problem—promotion of sales, promotion of new products, promotion of new uses, acquisition of new customers, building up of the average per capita consumption of milk and milk products by the average child and adult. There is much to be done in that field. Until this emergency was visited upon it, the dairy industry showed precious little desire to meet the problem by better salesmanship, a better organization, and a more intelligent distribution of its products to our people.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from New Mexico.

Mr. ANDERSON. As the Senator from Florida has just stated, there is a need to find new uses for those products. I was just glancing at figures showing production and consumption in this country. Thirty-five years ago the acreage in wheat which was harvested was 73 million acres, as against 53 million acres harvested last year. So the actual number of acres harvested dropped 20 million in a period of 35 years. The production in those 2 periods was almost identical, namely, 950 million bushels in 1919-20, and 980 million bushels last year.

However, in spite of the greatly increased growth of population, the domestic market used 650 million bushels of wheat in 1919, and only 626 million bushels in 1954, indicating that there had not been a comparable use of that product. That bolsters the point which the Senator was making, that there is not adequate use made of certain products. The dairy industry has to start to promote new uses for its products. Only by entering into such a program will there be found consumers who will use the products of that industry. I commend the Senator from Florida for pointing out that the dairy industry has started in that direction, because if the domestic dairy industry is to sell its products, it must do so to new customers.

Mr. HOLLAND. I appreciate the remarks of the Senator from New Mexico. I am glad the dairy industry is awakening. I am only sorry that it necessitated governmental action in cutting down price supports, of which they were willing to avail themselves by selling their huge production to the Government under the 90 percent price-support program. It took a reduction of Government price supports sufficiently to awaken the industry, and to start it going in the direction it is now going, namely, seeking new markets and a greater use of a very wholesome product, which certainly is needed in greater measure and should be consumed in greater quantity by the average citizen.

Adverting for a moment to the citrus industry, and I do so simply because I know something about it, there was a time a few years ago, when we thought a production of 40 million boxes was the greatest disaster that could possibly be visited upon us. We followed every path we knew how to follow. We taxed ourselves, as I stated previously—and the tax now yields about \$6 million a year—to provide an advertising fund, a dealer promotion service, research, all in an effort to bring about wider use and better prices. We also put into play compulsory standards, much higher maturity standards, than we had ever had before. We caused our research chemists to become busy, and they found better ways of canning our product. There was found a new method of concentrating the product. I wonder how many individuals know that the concentrate patents belong to the State of Florida? Anyone who will observe the standards can use them.

I am merely stating those facts to show that we tried to find ways of bettering our own situation. We have not by any means attained the millennium,

but we were able to market this year more than 120 million boxes of fruit, or nearly 200 million bushels. That is twice as much as a full year's crop of apples produced in all the States of the Union. That quantity of citrus fruit came out of the State of Florida at the time of our highest production. While, as I have said, we have not reached the millennium—we are still in trouble on one front, and that is the grapefruit field—the fact remains that we would have seen orange trees and great groves going back to woods years ago if we had not devised some way to step up the consumption of our product by the people throughout the Nation.

I do not say that it is necessarily a model for all commodities, and I do not want to appear to hold it out in that way, but I think it is somewhat the same procedure that the dairy industry must follow. The dairy industry is in trouble in just a few States where there occur at the same time the two conditions of heavy production and inadequate consumptive demand in the particular milksheds which are served by those producers. We do not find that problem in great measure elsewhere, at all. The dairy industries of the 5 or 6 States which are so greatly affected should long ago have been fighting for themselves; and if it took a cutting down of their support-price structure by the Federal Government to bring them into that kind of an operation on their own behalf, I would say that is one excellent result which has come from that action on the part of the Secretary of Agriculture.

Mr. AIKEN. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. AIKEN. Is the Senator from Florida aware of the fact that the store sales of dairy products in the United States—and I shall now refer to a last-minute report on the sales of dairy products; as we know, the reports from the people in the commercial business are usually a month or two ahead of the Government reports—is he aware that the store sales of dairy products in the United States for February and March were 1 percent more than the sales in the corresponding months of last year? In the case of store sales in April and May, after the support levels were adjusted, store sales were 9 percent above those in the corresponding months of last year. In the case of store sales in June and July, they were 13 percent above store sales in the corresponding months of last year.

Let me say to the Senator from Florida that those who are opposing our viewpoint, those who want the Government to own and control everything, including the farmer, know they are working against time. They are putting everything they have and every organization and every front they have into this fight, because should the dairy farmers of the United States know the extent to which the consumption of dairy products is increasing, and should the prices of dairy products in the free market continue rising for 3 or 4 months more, those who do not like our way of

life and do not like our kind of government will be licked so badly that they will never again be able to return. They are putting everything they have into this fight, and I am now stating one reason why time is working against them.

The reports I have just cited are the ones of this morning.

Mr. HOLLAND. Mr. President, I certainly appreciate the comments by the distinguished Senator from Vermont, who himself comes from, and skillfully represents, one of the heaviest dairy-product producing areas of the Nation.

As a matter of fact, I had intended to include in my remarks, as the next paragraph, a statement on the same subject. However, inasmuch as he has stated the matter so well, I shall simply say that the conclusion is manifestly true that flexible price supports are already working in the dairy industry toward an eventual solution of the dairy problem, as shown by the figures placed in the RECORD by the Senator from Vermont.

Mr. AIKEN. The point I was making is that those who want Government controls over everything, including the farmer, know they have to get the dairymen back into the clutches of the Government within the next 2 or 3 months, or else they will be licked permanently; and they have worked in some unusual places to accomplish their ends.

Mr. HOLLAND. Yes, Mr. President; I have felt that working.

I wish to say for the RECORD that, just as the Irish-potato industry in Florida sent representatives to Washington to demand that the terrible scandal which resulted from Irish-potato support prices be ended, just so, not one letter which has come to my office, indeed, not one communication of any sort which has come to my office from the dairy interests of my State—and they constitute a very large group, as a whole, and a very efficient group—has included a request that I do anything other than stand for a continuation of a flexible price-support program, which will result in having the dairy industry achieve a much better situation than that under which it has been existing, under which those in that industry have now sold to Uncle Sam approximately \$522 million worth of their products in the last very short period of time.

Mr. ANDERSON. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. ANDERSON. I wish to ask the Senator from Florida whether he believes that if this program is pushed—I refer to the program of developing dairy products—it will reveal that we do not have sufficient milk production in the United States. One hundred and fifteen billion pounds of milk is not too much for a Nation which wishes to have its people consume the finest type of food it is possible to obtain; and, with a reasonable culling of dairy herds, wherever a slightly out-of-balance condition exists, we can bring this problem into balance much more easily than in the case of many of the other agricultural problems confronting us.

Mr. HOLLAND. The Senator from New Mexico is entirely correct, and I thank him for his observations.

Mr. President, to return to a discussion of the citrus industry, let me say there were many defeatists who said, when we established in the citrus industry the program I mentioned a short time ago, that we might as well cut down certain varieties of our citrus trees, because we were overproducing. However, when we looked at the area which was purchasing our products, we could not come to that conclusion. We felt that health-giving, vitamin-gaining values would be withheld if we were to reduce production. So we launched the program to increase the consumption of our citrus products; and I have already indicated that we are now marketing successfully more than three times the amount which brought disaster to us a few years ago, before we instituted this program.

Mr. ANDERSON. Mr. President, will the Senator from Florida yield further to me, at this point?

Mr. HOLLAND. I yield.

Mr. ANDERSON. I wish to say to the Senator from Florida that in 1946 or early 1947, it was my pleasure to visit his State. I had a very excellent trip through some of the grapefruit-producing areas, and I saw the citrus industry at first hand. On that trip, I was taken on an airplane flight, and I had pointed out to me the new acreage which was being placed into the production of citrus fruits. A man pointed out very carefully to me that those new trees meant the absolute destruction of the citrus industry, because there was no possibility, so he said, that the production from them could be consumed. That was 8 years ago. If the course recommended by that person had been followed, the citrus industry of Florida would have been in deep trouble.

But, fortunately, the State of Florida took the position that is so well advocated by its senior Senator, and said, "We will try to move these products." I commend the people of Florida for doing so, because in doing it, they made it possible for the people of the United States and other countries to eat a food which is extremely valuable as a part of one's diet; they made it possible to upgrade the diet, as I mentioned the other day, so as to have our diet correspond to our increased prosperity.

I believe that the determination to make these products available to the people of the United States was a fine decision on the part of Florida agriculture, which I have always commended, and which I now commend.

Mr. HOLLAND. I certainly thank the distinguished Senator from New Mexico.

Mr. President, I am about to conclude my discussion of the situation in the citrus industry; but I wish to say to the distinguished Senator from New Mexico and to other Senators who may be interested that the figures which have just been announced by our citrus organizations show that the profit in the production from the orange groves in our State for the marketing season which has just come to an end was approximately \$158 an acre—indicating

that the industry is operating at a profit, although it is producing 3 times as much as it was producing when we thought we were about to have to fold-up and go out of business.

Mr. President, to return to the discussion of the situation as it applies to the milk industry, let me say that supply and demand are still far from being in balance. But whereas they were constantly moving wider apart under 90-percent supports, we are now beginning to close the gap, with the use of flexible supports. It will take time. But at least we are moving in the right direction now.

Mr. President, I do not think a more unwise position was ever taken—although I realize it was an honest and sincere position—than that which is being taken now by a few of the Senators from the States which produce very large quantities of dairy products. I refer to their position to the effect that they feel that the 90 percent price-support structure is correct in the case of milk and milk products, and should again be put into effect for their industry.

The old argument—that lower support prices will inspire farmers to increase production as a means of maintaining income—does no credit to the intelligence of farmers themselves. Moreover, it is not substantiated by facts.

Farmers are just as intelligent as businessmen in responding to the factor of price. Historically, they have increased production of a given commodity when the demand was strong, and, just as logically, they have reduced the output when prices weakened. A moment ago, I mentioned the situation in the rice industry, which is a perfect illustration.

In 1952, when hog prices dropped to 75 percent of parity, farmers should have proceeded to raise more hogs, under the theory which is expounded by so many advocates of high, fixed price supports. Instead, they sensibly reacted in a rational manner, and sharply reduced farrowings. Hog prices promptly started moving upward, and since last fall have averaged well above 100 percent of parity.

Now it is being demonstrated again that price does influence hog production. Farmers this spring increased their farrowings, in response to a favorable price.

We shall always find farmers doing the intelligent thing. Those who are taking the other position are selling the farmers down the river, because the farmer is as good a businessman as we have anywhere in this Nation. Those of us who represent States where potatoes are an important crop well remember the ruinous prices which prevailed last fall and winter. Again, if those who argue that low prices stimulate increased production are right, we should have seen a further expansion of potato acreage in 1954. Of course, no such thing happened. Farmers reduced their plantings and potato prices were back to 100 percent of parity by June 15.

When we sought to obtain increased farm production during World War II, we provided high price supports as an



incentive. In the bill now before us there is a provision which would increase the price support level for wool in an effort to obtain greater production. I have never heard it seriously suggested that a lower price would do the job.

Let us consider the rationale of this entire subject. Some of those who were arguing so strenuously for a higher wool support price a few months ago, are now saying that that would have been a futile measure because it would not have increased domestic wool production. We produce only about a third of our wool. But that time they were talking out of the other side of their mouths.

As we all know, increased prices mean greater production; decreased prices mean lower production. I have never heard it even suggested in the case of wool that a lower price would do the job.

That argument is reserved exclusively for the debate that arises whenever it is proposed that flexible price supports be applied to such basic commodities as wheat and corn in order to bring supplies into reasonable balance with demand.

Wheat has all but disappeared from the barnyards of America as a livestock feed. Wheat exports have fallen steadily and sharply during the last 3 years. Total wheat supplies for the current crop year are the largest of record—some 1,875 million bushels—enough to meet our domestic needs, plus our foreseeable exports, for 2 full years. Even with acreage restrictions and marketing quotas on 1954 production, we are still producing more than we can consume or export at present prices. Senators from several of the leading wheat States say that growers resent the further controls which appear necessary to prevent further build-up of a now almost unmanageable surplus.

I believe that resentment was very clearly shown in the voting in the referendum the other day by the wheat farmers in several wheat producing States. In certain States a majority voted against the continuance of controls; and in other States, the majority for controls was greatly reduced.

Unless growers are content to live with stringent controls for the foreseeable future, we must have enough flexibility in wheat prices to encourage the movement of a substantial part of this huge surplus into export and into consumption as livestock feed.

High, fixed price supports have encouraged an overexpansion of acreage in some soil-depleting crops. They have brought marginal land, which should have remained in grass, into production of such crops as wheat and cotton. They are stealing soil fertility which should be preserved for future generations. In the long run, these high price incentives even destroy many of the farmers they are supposed to help, leaving them literally high and dry in the middle of a dust bowl.

That has happened once before during my immediate period of observation, and now it is threatening to be the case in another large area. When are we going to conduct ourselves sanely in the field of agricultural production?

Flexible price supports will encourage the production of grain for livestock feed rather than for Government storage. If any trend in American agriculture is apparent today, it is the steady shift toward livestock. The changing diet preferences of the consuming public—the demand for more meat, eggs, fresh fruits and vegetables, and less cereals and starchy foods—are going to continue to force agriculture into new production patterns, even though we attempt to fight this trend with high, fixed price supports which encourage production of grain as grain rather than as livestock feed.

The adoption of flexible price supports now would recognize the existence of basic economic laws which cannot be flouted forever. We need to bring about better balanced farm production. We need to stimulate consumption. We need to emphasize production for the market rather than for a Government loan.

Flexible price supports will cushion agriculture against serious declines in both price and income. They will place the various segments of agriculture on a more nearly equal basis. They will assure consumers of an abundant supply of the kind of food they want at reasonable prices.

We have already delayed too long in making this necessary changeover which nearly all of us agreed should come within 2 years of the conclusion of World War II. We have temporized. We have said time after time, "Let's just extend 90 percent supports for another year or two." And, finally, we have reached a point where we must face reality or risk the collapse of our entire farm-price-support program.

I conclude my speech on a point to which I wish my friends who come from States in which basic agricultural products comprise the major portion of their production to listen. I hope they will listen, because I am just as sure as that I am standing here that I am right in my position that they have flouted public opinion, that they are losing public confidence; and, as a result, they are likely to lose their entire program, which would be a disaster, indeed.

In fighting for flexible price supports, I am fighting for something which I think can be sold to the people because it is right, and will give permanent and effective results to both the agricultural producer and the consumer, and will meet with satisfaction in the Halls of Congress.

I think my own State of Florida is a fairly representative State among those in which the basic, high-level supported commodities do not comprise the major portion of their agricultural production.

Our people are cosmopolitan. We have grown very fast. They come from everywhere—from North Dakota, from Mississippi, from California, from South Dakota, from Utah, and from New York. I am speaking of the States whose Senators are represented at this moment on the floor. Our people come literally from every other State in the Nation. I think they have an average and a national point of view. I think they know something of the value of agriculture,

because last year the total value of agricultural products in our medium-sized State of Florida was some \$528,806,000.

We value agriculture; we fight for agriculture, we support agriculture. We support agricultural producers when they are right, and we do not support them in proposals which we think are unsound for agriculture, for ourselves, and for the Nation.

I think I am just as accurate in what I say now on this particular point as it is possible for a man to be without himself speaking with people from every single precinct in the State he represents. I am very sure that the vast majority of the people of our State are not for this rigid price-support structure, but are instead for the flexible price-support structure.

Unfortunately, very large segments of my people are not for any price-support structure, because they have been disillusioned by the performance of the rigid price-support structure in the fields where it has been applied. So, I want Senators who represent States which have a large production of the basic products to hear some of the things which I am able to report to them.

In the first place we have had five mailings of questionnaires, through printing in the newspapers, in five congressional districts of our State.

In the first district, which is the district of Tampa and St. Petersburg, of the number who replied—and it was a very considerable number—90 percent favored a change from rigid to flexible supports. Incidentally, the questionnaires were sent out in a perfectly fair form, because the representatives wanted to know what their people thought on the various important questions that were included. In the first district 90 percent of the citizens replying favored a change from rigid to flexible. Ten percent were opposed.

In the fifth district, which is the central Florida district in which Orlando is the principal city, 95 percent of those who replied favored a change from rigid to flexible, whereas 5 percent were opposed.

In the sixth district—that is the West Palm Beach-Fort Lauderdale, Fort Myers district—93 percent favored a change from rigid to flexible; 7 percent opposed a change.

In the seventh district, which is the district in which Sarasota and Lakeland are the two principal cities, 91 percent favored a change from rigid to flexible; 9 percent were opposed.

In the eighth district, which would be regarded as more nearly a basic commodity district than any other district, in which there is produced a great deal of tobacco, some cotton, and some peanuts, and in which Gainesville and Lake City are the principal towns, 78 percent—notwithstanding that this is an area where basic farming is very important—favored a change from rigid to flexible support; whereas 22 percent were opposed.

Three of our Representatives did not mail out the questionnaires. One of them is from west Florida, where the average might have been a little higher in opposition than the 22 percent shown

in the eighth district. The other two Representatives are from the Miami district and the Jacksonville district, respectively.

Both of them are urban districts where, in my judgment, the majority in opposition to rigid controls would have been quite comparable to that which is shown in the other districts which so highly favored going to flexible price supports rather than remaining with rigid supports.

That is the picture as shown by a good many thousands of citizens who mailed in their votes. No greater effort was made to get one group of citizens to respond than any other group. The questionnaires were printed in the newspapers, and anyone who wanted to do so could cut them out, fill them in, and mail them to his Representative in Congress.

To go further into the showing of sentiment in my State, I invite attention to the fact that the Florida Fruit and Vegetable Association, which is the authoritative voice for the fruit and vegetable producers, the State Cattlemen's Association, and the principal citrus organizations have all gone on record in the same way.

It might be said that that is a selfish position for them to take. I do not think so. I think they have in mind the long-range prosperity of agriculture in the Nation, just as we who represent all the Nation in the Senate have it in mind.

What does the Florida Farm Bureau Federation say? I have before me a telegram from the president of the Federation, dated July 16. I shall read it into the RECORD:

MONTICELLO, FLA., July 16, 1954.

Senator SPESSARD L. HOLLAND,  
Senate Office Building:

The board of directors of Florida Farm Bureau has by unanimous vote approved the position of the American Farm Bureau on the farm program, including price supports. Hope you will offer amendment providing for 90 percent of parity price supports during any year in which marketing quotas are instituted immediately following a nonquota year if this is not included in committee bill.

E. H. FINLAYSON,  
President, Florida Farm Bureau.

Of course, the marketing-quota amendment is pending at this time, and I believe it will be adopted.

I realize perfectly well that Senators wish to know just what kind of agricultural production we have in our State. Last year we had a production, in cash value, of \$528 million. That fact is correctly shown on the maps which have been circulated in the Chamber. The maps show that only 7 percent of our total production is the production of basic agricultural commodities, and that of that 7 percent, 5 percent is represented by tobacco production, leaving only 2 percent of our total value of production in the field of basic, rigid price-supported commodities, which, in this case, would be cotton and peanuts, which are produced by some of our soundest thinking people. That situation would make Florida one of a large number of States which Senators will find depicted on the maps which have been circulated, falling into the same classification, namely, small production of basic com-

modities and large production of non-basic and nonsupported commodities. Therefore, I think Florida is an average State of that kind. I believe the way in which it has spoken firmly shows that there can be no question about where it stands.

Out of perhaps a hundred editorials on my desk I have selected a group which I shall ask to have printed in the RECORD because they have been taken from newspapers published in every part of the State of Florida. They have been printed in parts of the State where cotton is grown, where peanuts are grown, and where tobacco is produced. Some of the editorials have been published in parts of the State where citrus fruits are grown, where livestock is raised, and where winter vegetables and similar crops are produced.

I shall offer the editorials one at a time because I wish to read a part of each of them.

The first is an editorial from the Pensacola Journal of March 8, 1954. It is entitled "Farm-Price Cost Increase Points to Need of Change." The only excerpt I wish to read from it is the following:

With all the good will in the world, it must be conceded that we cannot long survive the bolstering of a sagging portion of the economy at the expense of the rest, and unless some equitable scheme is worked out we soon will experience the unhappy fruits of this.

It has been pointed out that only 23 percent of the value of our agricultural production is under the basic support program. Inasmuch as tobacco would not be affected by any change which is now suggested, the figure is brought down to 19.57 percent, which is the full percentage of the agricultural production of the Nation represented by the five basic commodities, some of which are fighting for the continuation of the 90-percent rigid support program. I ask unanimous consent that the editorial be printed in full at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### FARM-PRICE COST INCREASE POINTS TO NEED OF CHANGE

House passage of a bill to increase the Government's farm price support funds by \$1½ billion to a record high of \$8½ billion proves, if nothing else, the continually increasing cost of this program. The increases carry with them a warning that all concerned cannot afford to ignore. Here is inflation with not just a foot, but with a leg in the door.

The action was taken after the House was informed that the \$6¼ billion now available to the Commodity Credit Corporation for price support purposes was almost exhausted, and the new money would be needed to keep farm prices at levels prescribed by the farm-price support law. How unsound these price-support levels present are may be seen in the fact that it is not known how much will be a loss to the Treasury since this is dependent upon both future production and price trends. For the Treasury may be read the general taxpaying public.

At the moment considerable controversy is being engendered by Republican proponents of more flexible farm-price supports and Democratic supporters of the present system. Under Secretary of Agriculture True D.

Morse, arguing for the flexible plan before the Senate Agriculture Committee, insisted it would give farmers greater prosperity "over the long run." On the other hand, Senator MILTON R. YOUNG, Republican of North Dakota, taking a position in the opposition camp, insisted the flexible support plan would give the farm economy a "jolt it cannot take at this time."

Obviously, both cannot be right, and since we already have experienced the rigid farm system, perhaps it is time to try the other system. The fact of the matter is that the general economy is taking a jolt it cannot afford at any time, and action rather than further talk is indicated. With all the good will in the world, it must be conceded that we cannot long survive the bolstering of a sagging portion of the economy at the expense of the rest, and unless some equitable scheme is worked out we soon will experience the unhappy fruits of this.

Only commendable item to emerge from House action was the new method requiring the CCC to go direct to Congress for funds to make up losses from price support operations instead of allowing the Treasury to cancel the notes. This way we at least will be able to measure our losses.

Mr. HOLLAND. Mr. President, the next editorial is from the Tallahassee Democrat of January 25, 1954. It is entitled "Benson's Pointed Questions."

I wish I could read all of it, but I shall read only the concluding paragraph. The editorial discusses questions posed by Secretary Benson at a hearing before the Senate Agricultural and Forestry Committee concerning the present price-support program, and says, in conclusion:

These questions did not shake the farm-belt Senators' determination to continue the present high-support program. But they must be answered if a consumer revolt is to be avoided. Benson has put his finger on the sore spot in high-level supports.

I ask unanimous consent that the editorial be printed in full in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### BENSON'S POINTED QUESTIONS

At what point will the 140 million Americans who do not live on farms rise up—as they did in the potato fiasco of a few years ago—and demand not revision but outright elimination of all direct aid to agriculture?

Secretary Ezra Taft Benson posed this and other equally searching questions to the Senate Agricultural Committee as he began the defense of President Eisenhower's plan for a gradual relaxation of price supports that have built huge surpluses of a few major crops and filled Government warehouses. He was recalling the burning of overproduced potatoes, which led to elimination of price support for that crop.

Benson also asked, how far are we prepared to go in making additional billions of dollars available primarily for the support of a few selected farm commodities? What assurance is there that the Commodity Credit Corporation's borrowing authority if increased to \$8,500,000 this year, that further increases will not be required next year and the year after? And how shall we reconcile demands for a balanced budget, lower taxes, less overall Government spending and a tight rein on the national debt limitation with heavy farm price-support expenditures which give every indication of growing progressively greater?

These questions did not shake the farm-belt Senators' determination to continue the present high-support program. But they must be answered if a consumer revolt is



to be avoided. Benson has put his finger on the sore spot in high-level supports.

Mr. HOLLAND. The next editorial is from the Tampa Sunday Tribune of March 7, 1954. It is entitled "The Men of Little Faith."

I wish I could read all of it, because it is such an excellent editorial, but I read one part only:

With the farm-surplus picture growing more ominous with each passing month, it is little less than fantastic for farm politicians in Congress to talk about continuing the present idiotic and costly farm program. Failure to put into effect a more flexible price-support plan such as the administration is recommending can only result in making the present disorder chronic and progressively more serious.

I ask unanimous consent to have the entire editorial printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### THE MEN OF LITTLE FAITH

Nobody spoke truer words than Senator AIKEN, Republican, of Vermont, and chairman of the Senate Agriculture Committee, when he said Secretary of Agriculture Benson's congressional critics "are talking merely for political purposes and nothing else."

Senator AIKEN's comments were offered as his committee began hearings, expected to last 5 or 6 weeks, on the administration's flexible farm program.

Those critics take for granted the notion that farmers will vote against them or their party unless they back legislation to prop farm prices at very high levels.

They are men of little faith in the workings of free markets, in which price fluctuations spur or reduce production in order to bring supply and demand into better balance. After 20 years of Government price supports, these critics imply, American agriculture has become so enfeebled that even the suggestion that farm prices be permitted to play some directive role in our farm economy must bring panic.

Some of these congressional alarmists go so far as to define loyalty to the farmer's interests in terms of the farm parity index.

The inference is that if you are for flexible price supports at 75 to 90 percent of parity, as advocated by President Eisenhower, Secretary Benson, Senator Aiken, our own Senator Holland, and other clear-thinking individuals, you aren't as loyal as if you stand four-square for 90 percent.

And if you demand 100 percent or full parity, then it is implied that you are really serving the farmer's well-being.

This is pure bunk, of course.

The President, the Secretary of Agriculture and others who believe in moderate, flexible price supports are just as interested in high farm income as anybody else. They simply happen to believe in other methods of achieving it than the use of high-level prop—methods which they consider better, safer, and in the best interests of both the producers and consumers of farm products.

If there are any doubts as to the need for changing the existing system they should be resolved by the action just taken by Congress boosting the amount of Government funds to be made available for price support purposes by \$1.75 billion to a record high of \$8.5 billion.

The Federal Government now owns outright or has extended loans on some \$6 billion worth of surplus farm products. It has so much wheat, for example, that regular storage space has been exhausted. Some of it is stored in the holds of idle ships.

Similar conditions exist with respect to corn, cotton, and other basic crops. And

everybody knows the story about surplus butter.

Yet the piles of surplus commodities have not hit their peak. As new crops are harvested this year, the Government will be forced to buy more and make additional support loans. The \$6.75 billion available to the Commodity Credit Corporation for the purpose is almost exhausted, and that is why Congress had to vote the additional \$1.75 billion in funds.

How does one account for this wasteful and costly situation?

It is true, of course, that growing conditions over the last decade have been most favorable. Record yields have been obtained in most of the basic crops. However, farmers have not been able to export as much in the last 2 years as they did immediately after the war. Other countries have gotten back on their feet and our farm products have had to face stiffer competition.

But the basic cause of the tremendous farm surpluses is the fixed price guaranteed to farmers under the rigid support system. It is a system which absolves them of responsibility to produce with at least one eye on what the market can absorb. In other words, they have been producing, not for consumers, but for Government larders.

The administration seeks to correct this through a sliding scale of support prices. The Secretary of Agriculture would have the authority to reduce the level of supports if supplies get too burdensome or to raise them if more production is wanted. It is power he needs and should have.

With the farm surplus picture growing more ominous with each passing month, it is little less than fantastic for farm politicians in Congress to talk about continuing the present idiotic and costly farm program. Failure to put into effect a more flexible price support plan such as the administration is recommending can only result in making the present disorder chronic and progressively more serious.

Mr. HOLLAND. The next editorial is from the Tampa Morning Tribune of April 23, 1954. It is entitled "No Time for Compromise." The editorial relates to the proposed compromise which would extend the 90 percent rigid-price supports for an additional year, and it says, in part:

The time for compromise on this issue of price supports is past. The Nation is looking to Congress to face up to the facts of the huge and mounting surpluses which have inundated the country because the problem has been mishandled. Further procrastination can only result in making the present disorder chronic and progressively more serious.

I ask unanimous consent to have the entire editorial printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### NO TIME FOR COMPROMISE

Although the average American citizen may not realize it, there is more going on in Washington than the McCarthy-Army hearing and the probe into Federal Housing Administration scandals.

What, for example?

For one thing, Senators are putting on their thinking caps in preparation for a decision on the administration's farm program. The questions involved are fundamental and important. They deserve serious debate, even though they may not immediately attract headlines.

The battle to be fought in the Senate is between those who want high-level fixed price supports on the basic crops and those who intend to back Secretary of Agriculture

Benson's call for a flexible-support system keyed more closely to the fluctuating prices in the natural market.

Some ardent advocates of high supports are beginning to talk about what they say is a compromise. Senator Young, of North Dakota, although fully aware of the temper of many consumers who are alarmed by the size and cost of the huge surpluses of wheat, corn, butter, cotton, and other products stored in Government warehouses, nevertheless argues that the present program should be continued for just 1 more year because of the gravity of the drought in the Southwest and increasing world tension.

That isn't a compromise; it's a sellout to the high-level support bloc.

Senator Young wants the Senate to follow the same old line. Congress passed reform legislation in 1948 and 1949 calling for elimination of wartime 90-percent price supports on basic crops and the substitution of a flexible plan. Yet when the time actually arrived for putting the policy into effect some excuse has always been found to postpone final action.

As for his argument about the drought it is true that estimates for the winter wheat crop have been scaled downward by about 72 million bushels from last year's total of 750 million. But the more important fact is that the Government owns outright some 426 million bushels, which it purchased under the price-support program, while it is holding another 476 million bushels under loan. These items come pretty close to adding up to a full year's supply of wheat.

Regarding his reference to increased world tensions, we hate to think what Government holdings of farm commodities would amount to if action on flexible price supports were to be postponed until world tensions have abated. The Government now has \$6.5 billion worth of surpluses in storage, and it is estimated that by the end of another year the figure may have reached \$10 billion.

More than 20 years ago, when Franklin D. Roosevelt became President, there was a farm emergency and an atmosphere of panic. There is no reason for similar panic today, nor for panic-inspired measures.

The time for compromise on this issue of price supports is past. The Nation is looking to Congress to face up to the facts of the huge and mounting surpluses which have inundated the country because the problem has been mishandled. Further procrastination can only result in making the present disorder chronic and progressively more serious.

Mr. HOLLAND. The next is an editorial from the Miami Herald of January 26. I read this portion:

There's a revolt brewing over high farm supports from an unexpected quarter.

It stems from city folks and customers who want to know when their Congressmen are going to give them some long overdue consideration.

The city folks bore the burden of farm prosperity for a long time without complaining. Now they're fed up.

I ask that the entire editorial appear in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### IT'S THE CITY FOLK'S TURN TO ASK AID

There's a revolt brewing over high farm supports from an unexpected quarter.

It stems from city folks and consumers who want to know when their Congressmen are going to give them some long overdue consideration.

Heretofore it was always the farmers that kept Washington in an uproar. But now, according to complaint mail coming in, it's

the city folks and ordinary consumers that are demanding a better break. They're fed up with high butter and coffee prices.

They know that our Government can do little about coffee prices, which are controlled outside the country. But they feel something can be done about butter, which is high because of the Government's price-support operations.

Senator JOHN WILLIAMS, Republican, from Delaware, summed up the feeling of those who have been wary of continued high, inflexible farm supports:

"I said 2 years ago that if we continued 90 percent support we'd have these surpluses, the farm program would collapse, and city people would turn on it."

What he prophesied then seems to be coming to pass. The city folks bore the burden of farm prosperity for a long time without complaining. Now they're fed up. The tenor of their remarks boils down to this:

"Either give us lower prices or, if you're going to keep farm prices jacked up, give us aid so that we can afford to buy their products."

Mr. HOLLAND. The next is from the Miami Daily News of February 16, 1954, entitled "Can't Continue Piling Up Butter; Give Secretary Benson a Chance." The editorial as a whole is good, but I read this part only:

How long can we continue this expensive folly? We've got to find out some day.

I ask that the editorial in full be inserted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### CAN'T CONTINUE PILING UP BUTTER; GIVE SECRETARY BENSON A CHANCE

We have \$350 million of surplus dairy products in storage—and we are still paying extravagant subsidies of taxpayers' money to accumulate more.

Where this folly will end troubles Secretary of Agriculture Benson, and he will slash dairy support prices on April 1 to the lowest level permitted by law. He estimates it will mean an 8-cent-a-pound cut in retail butter prices. He also "hopes" to be able to announce soon a plan to dispose of the surplus dairy products.

No one questions Secretary Benson's good purpose. No one can question his courage.

This is a time for acknowledging both—and giving the Secretary of Agriculture a chance to work his way out of his difficulties.

The difficulties are not Secretary Benson's alone. They are a Nation's difficulties. The agricultural conservation program inherited by the Eisenhower administration was not working for the Nation's lasting good. It is rare that any groups on the receiving end of Government handouts offer to give them up or have them reduced. Yet two major farm organizations have been recommending reduction in subsidy payments.

Let's give Secretary of Agriculture Benson a chance to economize to the taxpayer's benefit provided the price of butter comes down 8 cents a pound.

How long can we continue this expensive folly? We have got to find out some day.

Mr. HOLLAND. The next is an editorial headed "Here Is the Most Idiotic, Wasteful, and Scandalous Scheme Ever Dreamed Up To Enrich One Group of Citizens at the Expense of Other Americans," published in the Fort Lauderdale Daily News of February 10, 1954.

That sounds like a fairly long title, but that is the title of this excellent editorial, which I should like to place in the RECORD at this time so that Mem-

bers of the Senate may understand what the publishers of this newspaper—and it is a good newspaper in a very heavy producing agricultural county of our State, Broward County—thinks about this program.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### HERE IS THE MOST IDIOTIC, WASTEFUL, AND SCANDALOUS SCHEME EVER DREAMED UP TO ENRICH ONE GROUP OF CITIZENS AT THE EXPENSE OF OTHER AMERICANS

While we realize that figures and statistics make for dull reading there are times when only through the use of figures and statistics can anyone begin to make clear the fantastically, incredible situation that has developed in this country in regard to the farm price support problem.

Most everyone today is acquainted with the fact that the Federal Government for a good many years has been buying up surplus farm products to keep farm prices on an even keel. In simpler language this means that the Federal Government has been using money contributed by all the people in taxes to force these same people to pay higher prices for a good many farm products at their grocery stores.

But what a great many people do not know is that the Federal Government today is the biggest grocery store in all the world, yet it hasn't any customers to buy the millions upon millions of dollars of products it has been stashing away all these years.

We won't quote here the exact figures on all the food items the Government has stored away in various places throughout the country, as that would take more space than we have available. But we will quote a few of these figures just to show the fantastic nature of the dilemma our vote-happy Congressmen have got themselves in.

According to figures released last month, the Commodity Credit Corporation, which is the fancy name for the Government agency which conducts our farm-price support program, owned outright or had loaned money on approximately \$5 billion worth of farm commodities. As of December 16, 1953, the CCC actually had stored away some place commodities which had cost the taxpayers approximately \$2½ billion.

These stored-away commodities included 440 million bushels of wheat, 338 million bushels of corn, 242 million pounds of butter (bought at 69 cents per pound), 222 million pounds of cheese, 390 million pounds of dried milk, and 68 million pounds of peanuts.

All that adds up to a pile of food in anybody's language, but if nobody ever gets a chance to eat it, what earthly good does it do to keep storing it away? Actually all this food is still costing the taxpayers a huge sum of money just while it sits rotting away. While in Chicago recently, Secretary of Agriculture Ezra Taft Benson stated that it was costing the Government \$460,000 a day in storage bills at the present time and this figure was due to go considerably higher in the near future as more Government purchases keep rolling in.

One would think that even the most dim-witted Congressman would have the sense to admit that things have gone far enough to call a halt to this crazy-quilt surplus-crop buying. But votes are more important to some Congressmen than money, and especially when it's not their money they are playing around with. So let President Eisenhower, Secretary Benson, or anybody else suggest that it is time to adopt a new approach to this farm problem and the howls of anguish are mighty, indeed.

The only sensible suggestion that we have heard from anyone lately concerning what should be done with the millions of tons of surplus food that is now spoiling in Government warehouses has come from the peo-

ple who run the CARE project. They would like to distribute this surplus food to the needy people of Europe, Asia, and Africa but since it would cost something like \$172 million just to move a small portion of the food the Government has stashed away to areas where it can be put to good use; this is a problem the officials of this private welfare agency can't surmount.

Suggestions that the Government sell this food to other nations aren't practical because other nations don't have enough American dollars to buy the food with in the first place, and in the second place dumping all this food on the world market would break that market wide open and would cause the American Government to be harshly criticized all over the place.

So, as of now, there is little that Agriculture Department officials can do except to keep on buying more food it can't use, and rent more space to store it. The crop outlook for 1954 is such that Agriculture Department officials estimate that the Commodity Credit Corporation may have to go out this summer and fall and buy another \$2,500,000,000 worth of surplus commodities to keep prices at their prescribed levels. This is your money the Government will use. It is being spent for the express purpose of making you keep on paying high grocery bills.

It is one of the most idiotic, most wasteful and scandalous schemes ever dreamed up to keep one segment of our population prosperous at the expense of all the other segments. But it still goes on and on and it probably won't stop until we either run out of places to store any more surplus food or until Congress finally screws up enough moral courage to stop this nonsensical business in its tracks as it should have done a long time ago.

Mr. HOLLAND. The next is from the Palm Beach Post of February 24, 1954. Palm Beach County was the first county in the South to receive the Army award for excellence of farm production during World War II. Fifty-seven hundred carloads, or some such fantastic amount, of beans were produced in that county. It is a very productive farm county. The title of the editorial is "Lower Farm Props." I read this paragraph:

The present system of rigid high support prices is a costly, wasteful travesty now reaching unmanageable proportions. High supports hit the citizen twice as a taxpayer and once as a consumer. As a taxpayer he feels the bite when the Government must lay out money for storage, maintenance, and the like. As a consumer, the citizen suffers in higher prices at the market.

I ask that the entire editorial be inserted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### LOWER FARM PROPS

Secretary of Agriculture Benson acted with courage in deciding to cut support prices April 1 on butter and other dairy products, from the present 90 to 75 percent of parity. If his decision is to hold, the citizen consumer and taxpayer will have to show equal gumption. For protests against the move already are loud and heavy.

Benson made the decision because existing high supports have encouraged output of milk products not for market but for storage. A year ago Government holdings of butter, cheese, and dried milk corresponded to 1,440,000,000 pounds of whole milk. Today they total nearly 8 billion pounds, roughly 5½ times as much. These stocks are worth about \$300 million.

If the support price of butter is reduced as planned, Benson said the producer will get



about 8 cents less a pound than he is now assured. He would expect this to be translated into an equivalent drop in retail prices to the consumer.

Butter would still cost more than twice what competing margarine costs, but the narrowing gap might lure more consumers back into the butter market from which high support prices have driven them.

This move is intended, of course, to discourage excess output of products for which there is obviously no ready market. It would not settle the question what to do with existing accumulated surpluses. In fact, the Government would presumably go on buying dairy products at the lower support level.

But the point is that Benson is endeavoring to make a start on one of the toughest economic problems facing the country. Including wheat, cotton, and other supported products, the United States today owns or holds on loan \$6,500,000,000 worth of foods and fibers. It has literally run out of places to put these surpluses.

The protests against Benson's action center on the argument that it will reduce farmer income at a time when it is already below recent par, and will thereby accentuate what some forecasters see as a gathering economic recession.

There can be no question that, by one device or another, the level of farm income must be maintained at a point sufficient to keep the farm community a healthy element in the Nation's life. But any fair-minded citizen will acknowledge that more than one way might be found to achieve that goal.

The present system of rigid high-support prices is a costly, wasteful travesty now reaching unmanageable proportions. High supports hit the citizen twice as a taxpayer and once as a consumer. As a taxpayer, he feels the bite when the Government must lay out money for storage, maintenance, and the like. As a consumer, the citizen suffers in higher prices at the market.

If any logical defense can be made of this triple burden on the citizen, it has yet to be advanced. The object of a proper farm program is to assure the farmer adequate income, not to devise a method by which the citizen can be made to pay for that necessity 3 or 4 times over.

The men who now protest have no answer to continually mounting surpluses, nor to this triple burden on the citizen. The only answer they have is the one dictated by the fear of what the farmers will do to them at the polls if so much as a single sliver of bamboo is removed from the existing fantastic support structure.

Mr. HOLLAND. The next editorial is from the Orlando Sentinel of February 24, 1954, in one of the heaviest producing agricultural counties of our State, and I believe the second heaviest citrus-producing county in the Nation. The heaviest, by the way, happens to be the county in which I make my home, if I may be allowed to state it for the record, Polk County. This is from Orange County. The title of the editorial is "Rigid Support Not in Farmers' Interest."

I read this quotation from the editorial:

Although it is highly important for the level of farm income to be maintained, it is senseless to support it by a process which encourages excessive and wasteful production of food not for use but for storage and spoilage. This is a system which taxes the farmers' soil as much as it taxes the consumer and the taxpayer. And more and more it is becoming evident that it is a one-way street from which it is increasingly difficult to return.

I ask that the entire editorial be inserted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### RIGID SUPPORT NOT IN FARMERS' INTEREST

Loud and bitter as is the reaction in the dairy States to Secretary of Agriculture Benson's proposal to reduce price supports on milk products from 90 percent to 75 percent of parity, thus giving the consumer an 8-cent cut in the cost of butter, these reverberations are probably no more severe than will come from the wheat and cotton States when and if these supports are similarly lowered.

Noting reports that American grocers may soon have butter running out of their ears, Secretary Benson suggests that Washington officials already have it running out of theirs. A year ago Government holdings of milk products amounted to nearly 1½ billion pounds; today they total nearly 8 billions, or roughly about 5½ times as much, in which the taxpayers have invested about \$300 million.

The situation with respect to wheat and cotton and other price-supported products is better only to the extent that they are easier to warehouse than perishable milk products. The trouble is that the Government is running out of warehouses, has no place to store any more of these crops and already has some \$6½ billion tied up in them trying to support prices at levels which the people cannot pay.

Testimony against the Benson plan for flexible supports shows that reducing butter price supports will not get rid of the accumulated reserves, or liquidate the Government's investment in them; that a similar reduction in wheat supports would result in cutting the price of bread only four-tenths of a cent a loaf, while costing the wheat farmers \$350 million.

Although it is highly important for the level of farm income to be maintained, it is senseless to support it by a process which encourages excessive and wasteful production of food not for use but for storage and spoilage. This is a system which taxes the farmers' soil as much as it taxes the consumer and the taxpayer. And more and more it is becoming evident that it is a one-way street from which it is increasingly difficult to return.

As the issue is joined there is as much demand from the farm States for increasing the support prices to 100 percent as there is for lowering it to 75 percent. And if the practice of subsidizing the dairy farmers becomes permanent, it will be only a short time before it is applied to other crops.

As a matter of fact, the price of citrus at the moment is not all our growers would like. A Government program that would give the grower what he got 2 years ago, if it made sense, would be welcome. But it would not be to the citrus growers' long-range advantage for the Government to buy surplus citrus and put it in storage, any more than it is to buy butter for the same purpose.

It is to be hoped that saner counsel among the dairy States will prevail.

Mr. HOLLAND. The next is an editorial from the Orlando Sentinel of January 13, 1954, of which I shall read only the last paragraph:

Not all farmers agree with the Eisenhower program. Not all of them agree on any other program. But all of them know the present system cannot be continued without ruinous consequences for themselves and for the Nation.

I ask that the editorial be inserted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### EISENHOWER FARM PROGRAM

After months of labor by the 17-member agricultural advisory committee under the chairmanship of William Myers of the Cornell College of Agriculture, President Eisenhower has submitted to Congress a farm program based on flexible price supports which it is hoped will reduce crop surpluses and at the same time provide the farmer with a fair share of the national income.

As part of this program the President has frozen \$2½ billion worth of basic products such as wheat, corn and cotton. The fact that large quantities of such crops were held in Government warehouses by the Commodity Credit Corporation and might at any time be dumped on the market has tended to depress prices and to defeat the very purpose for which it was intended.

That the farm program under which the Nation has been operating is bankrupt and that something has to be done if the farmers are to escape the disastrous consequences of many years of accumulated folly is shown not only by the decline in farm prices which began more than a year before Eisenhower was elected, but also by the fact that Democratic efforts to prevent this decline have resulted in Government purchases of surplus commodities to the extent of \$4.5 billion.

Stored in Government warehouses the CCC now has \$160 million in cottonseed oil, \$108 million in cheese, \$202 million in butter, \$223 million in tobacco, \$529 million in cotton, \$846 million in corn, \$1,940 million in wheat, and \$537 million in other farm products.

By next June, if the present program is continued, the Government will have more than \$6 billion tied up in surplus commodities.

The way this system works, the Government is required to support prices of basic commodities at 90 percent of parity. Any time the price of one of these products falls below this figure, the farmer can take his product to the Commodity Credit Corporation and borrow on it, not just 90 percent of the market value but 90 percent of the average price over a period of previous years, when the price was particularly favorable to the farmers. If the price then goes up, the farmer can pay his loan, sell his crop, and get the advantage of the increased price. But if the price goes down, the Government is stuck with the crop.

The farmer is thus encouraged to expand and intensify his operations. The Government is a guaranteed buyer of all he produces over and above what he can sell to the public at high prices. Huge surpluses are accumulated at the expense of the taxpayer, who gets for his money higher food prices. And the farmer finds himself the victim of a system which he knows sooner or later will blow up in his face.

Not all farmers agree with the Eisenhower program. Not all of them agree on any other program. But all of them know the present system cannot be continued without ruinous consequences for themselves and for the Nation.

Mr. HOLLAND. The next editorial is from the city of Jacksonville, our gateway city, not itself a heavy agricultural area—but instead an industrial area, and I think the people of that gateway city pretty well know the attitude of the people throughout the State. The newspapers there pretty well speak for the people of the State in general. From the Jacksonville Journal of January 25, 1954, I submit an editorial titled, "Con-

sumers Need a Break, Too," the sentence which I shall read is this:

One wonders how long it will be before Congress summons up its courage and frames a program that will give both the farmers and the consumers a break.

I ask that the entire editorial be inserted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### CONSUMERS NEED A BREAK, TOO

The political sages are pretty well agreed that in a voting year the farmer, whose voting potential is concentrated to powerful effect in a number of States, will get more attention from Congress than the consumer.

We're all consumers, of course, and consequently farmers total a much smaller segment of the population. But they are organized for political action through many national federations. Their influence upon the making of laws is direct and immediate. And the results of past elections have demonstrated to trembling politicians that farmers' strength at the polls is no myth. Their uprising against the Republicans in 1948 is widely credited with accomplishing the victory of former President Truman.

In contrast, consumer organizations seem to cut little figure as pressure groups in Washington. Secretary of Agriculture Benson has received a great deal of supporting mail from individuals who favor his efforts to cope with the farm problem. But it is doubtful this will have much effect on Congress.

Similarly, consumers have to be greatly aroused before they make their numbers felt at the polls. They did in 1946, when they were disgusted with meat controls. Yet normally the irritation is not sufficient to cement them as a voting force.

Perhaps they would be more stirred than they are in this election year if they really understood what the existing farm program costs them.

As farm price supports work, they keep prices high at a triple cost to the consumer. The guaranteed price is a subsidy to the farmer. If the market won't take his crops, the Government will. Paying the farmer for the excess is one charge. But by supporting the price, the Government also forces the citizen to pay more for things in the market. So he pays once as taxpayer and again as consumer.

Is that all? Not quite. The surplus which the market can't absorb has to be stored. And it takes \$14 million each month out of the taxpayers' pockets to cover the storage charge on huge supplies of grain, cotton, butter and eggs the Government buys from overproducing farmers.

The farmers deserve the protection of their Government, for they are in a hazardous business. But the present system, with its triple penalty on the consumer-taxpayer, is costly, wasteful, and impractical.

Farmers know it in their hearts, but they cling to it because they fear the unknown. Politicians know it, and they understand, too, that in the end it is up to them to devise a way to get out of the mess, while still reassuring the farmers.

One wonders how long it will be before Congress summons up its courage and frames a program that will give both the farmers and the consumers a break.

Mr. HOLLAND. There are dozens of other editorials which I could present from my State. I recognize perfectly well that editorial writers do not necessarily express the will or reflect the thinking of the people in their areas, but when we find a general expression from Pensacola to the end of the penin-

sula with no variation in a single daily newspaper looking in the opposite direction, and when we note the common expression that the program must be changed, many expressions to the effect that a better approach is needed, some of them particularly mentioning the flexible approach, some of them mentioning it as a fairer approach to both consumer and producer, many making it clear that they think it would be a tragedy to have the price-support structure crumble and collapse, I think no one can feel that this comment is not expressive of the views of the people of a State which is not a heavy producer of basics. I think this comment can be regarded as fair and friendly comment, coming from friendly people, who have a very definite interest in the wheat farmers, in the cotton farmers—we have a great many from that group in our State—in the peanut farmers—and we have a large group of them—in the corn farmers, and in the rice farmers. We want them all to be prosperous. We know how much they contribute to our Nation's position in the world picture, how much their buying power contributes to the prosperity of all of us, and how much their abundant production contributes to the opportunity of every consumer to provide himself and his family well with the necessities of life.

We would not be correctly stating the picture if we did not state, in such a way that we could not possibly be misunderstood, that that is the general expression of our people, coming from a great and friendly farming State which embraces among its citizenry citizens from every other State in the Union.

It seems to the Senator from Florida that the situation should cause great concern to Senators from States the major portion of whose production is of basic crops.

Mr. HUMPHREY. Madam President, will the Senator yield?

Mr. HOLLAND. I will yield after one more statement.

I noted that in the surveys reported to the Senate yesterday by the distinguished Senator from North Dakota [Mr. Young], there was shown clear evidence of the fact that the people in the eastern part of the country are in favor of flexible price supports. As I remember, the leading editorial inserted, reporting the results of a questionnaire, showed that 77 percent of the persons interviewed in the eastern United States—unfortunately, it did not show how large an area was covered—favored going to the flexible price-support structure.

To make this point and to make it in a friendly way, before I yield to the Senator from Minnesota, let me say that I am distressed to see a condition under which the whole price-support structure is threatened with imminent collapse, because the people in general throughout the Nation must believe in their own consciences that the program is good before it can stand very long. The unfortunate thing is that a great many of our people do not think that the program as now constituted is fair or good, and they do not look with equanimity

upon the huge supplies of surplus products now stored to such an extent that their storage is costing us \$700,000 a day. Regardless of how the Senator from Minnesota may characterize those huge surpluses—I believe he calls them inventories—the people of this Nation think of them as wasteful surpluses. I do not see how they could in good conscience regard them as anything else.

I now yield to the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator for his courtesy.

My only question to the Senator is based upon the poll of public opinion conducted through daily newspapers in his State. In the State of Minnesota, the large State newspapers—in fact, so far as I know, all except two daily newspapers in the State of Minnesota—favor unequivocally the Eisenhower-Benson program of flexible price supports. I say with equal candor that while they favor this program in their editorial policy, every public-opinion poll which has been taken and every meeting that has ever been held proves that many times the editor is expressing nothing but his own opinion, and frequently that opinion is wrong.

Mr. HOLLAND. I think there is some force in what the distinguished Senator from Minnesota has said. If the Senator had been present earlier—and in my speech I expressed regret that he was not present—he would have heard me report the polls taken by Florida Representatives in Congress, to find out what the sentiment of the people of their districts was.

Mr. HUMPHREY. I heard the Senator's report.

Mr. HOLLAND. The percentages were: 90 percent in the First District; 95 percent in the Fifth District; 93 percent in the Sixth District; 91 percent in the Seventh District; and 78 percent in the Eighth District, which is a basic producing district, by the way.

Mr. HUMPHREY. May we have some population figures?

Mr. HOLLAND. The Senator from Minnesota probably would have heard me say also that the unanimous vote of the directors of the Farm Bureau Federation for our State in support of the flexible price-support program, has come to me. In addition, the official expressions of the fruit and vegetable association, the State cattlemen's association, and the important organizations in the citrus industry, which are to the same effect, have come to me. Those things being true, and in the absence of a single daily newspaper in the State, so far as I know, taking any varying position, except in the degree of opposition—some want no price supports; while most of them want a continuation of price supports, but on a more reasonable basis—surely the Senator from Minnesota will recognize that his friend from Florida is developing what ought to be a matter of considerable concern to Senators from States which are vitally affected by the 90 percent price-support program. When the great majority of a great people, now about 3.4 million, coming from all over the Nation, feel that



the present program is hopelessly wrong and should be changed in important particulars, it seems to me that the Senator would recognize that as being a red flag of warning, which no one can deny.

It is from that point of view that the Senator from Florida has presented this argument, rather than in an effort to support his own position, which he will do at home, in Florida. What I am doing here is attempting to truthfully depict to my friends in the Senate who feel otherwise than I do on this problem, the situation in a State which rather fairly reflects what can be expected in the viewpoint of States other than those relatively few—which are a good deal less than half the States—which have more than 50 percent of their farm programs under the 90-percent fixed supports.

Mr. HUMPHREY. I am sure my friend from Florida properly reflects, by the expressions of his views, the opinion of the people of his State. If the Senator from Florida feels that is a red flag, I suggest to him that there are more than 3 million people in the State of Minnesota who support the parity program. A goodly share of those people live in the cities. In fact, one-third of the total population of the State of Minnesota lives in the two cities of Minneapolis and St. Paul and their suburbs. Despite that fact, the overwhelming point of view reflected by every scientific poll—not congressional polls in which one merely writes letters—which has ever been taken shows strong support for the 90 percent of parity price-support program.

I suggest to the Senator that that is another red flag. That flag comes from the headwaters of the Mississippi. There may be a red flag on the other side, being raised in Florida; but I think it would be very important to find out the ratio of the metropolitan population in Florida to the rural population. How many people live in cities with populations of more than 5,000, as compared to the number of people who live in the country?

Mr. HOLLAND. Of course, we have a large urban population in Florida. I would not wish that any fact which was at all influential in this picture be left out of the record. I am simply telling the Senator from Minnesota that the average—

Mr. HUMPHREY. What would be the percentage, by the way?

Mr. HOLLAND. The average citizen from Florida, and I think the average citizen from any other State, including more than half the States in the Nation, realizes that the 90-percent structure was a war measure designed to accomplish overproduction. They realize, insofar as dairying is concerned, that there was no price-support structure during all the years of the New Deal, until the war came, which required overproduction.

To them and to me it seems devoid of the sane approach, which I think we should adopt for such things, to try to continue into peacetime production a program which was designed to create overproduction or excess production, because it will do the same thing now. It

is doing the same thing now wherever it exists.

It seems to the Senator from Florida that it is the part of logic to adopt a procedure by which we can defend price supports, so that they will be advantageous to all the elements of our people—the consumer, the producer, and the Nation as a whole—in an effort to live up to the destiny of the United States as a leader in world affairs right now.

Mr. HUMPHREY. I respect the Senator's opinion, and he makes a very forceful case. My only comment to my distinguished colleague from Florida, who is indeed an able proponent of his point of view, is that if this administration would spend half as much time in trying to point out the good points of the price support program, and what this farm program has meant to the country, as it has spent in trying to disrupt it, we would have an entirely different point of view expressed.

A moment ago I returned to the Chamber from the reading room on the other side of the Hall. Every day for the past 2 months I have seen in that reading room practically every newspaper in America with a front-page story about the wonders of the tax bill. We hear nothing but outright propaganda to sell the tax bill to the American people.

If the administration would spend as much time in trying to sell the farm program to the people as it spends in trying to undercut the farmers, if it would spend as much time trying to sell the farm program as it does in selling the tax program, public opinion might be quite different. If the President of the United States would make one speech today in behalf of price supports, as he did in 1952, I am sure public opinion in Florida would be quite different; because, if I correctly recall, public opinion in Florida in the 1952 election was just about the same as in Minnesota. Mr. Eisenhower said what he wanted to say, and made certain promises; and since 1952 those promises have been buried in the political caves of inactivity and broken promises.

I call upon the administration to say one kind word for the price-support program or one kind word for American agriculture.

Mr. HOLLAND. To reply briefly, let me say in the first place that I am not influential with the President in getting him to say what he says from time to time; but I am, at least from the standpoint of one citizen and one public servant, able to pass my judgment upon the positions which the President takes.

It is my opinion—and it is a very deeply felt one—that both the President and his Secretary of Agriculture would have been guilty of gross immorality if they had not called to the attention of the public what is so manifestly true, if anybody cares to analyze the situation. I hope citizens throughout the Nation are now analyzing the situation with respect to the farm-price-support program because unquestionably the fact is that it did not evolve from the New Deal days. The highest support we had then—and the best program for agriculture—was a flexible-

price-support program of 52 to 75 percent. The present program evolved as a war measure, with the deliberate purpose of producing abnormal production, and it accomplished it in a miraculous way.

I know perfectly well that that same method applied now gives the same results. I do not care how much we may try to reason or rationalize it, we must all come to the same conclusion.

It has resulted, and is resulting, in excessive production; and the surpluses are piling up. I say to my friend, the distinguished junior Senator from Minnesota, that I think housewives and many persons in the other great branches of agriculture are all expecting us to give relief from the situation whereby those who produce 19½ percent by value, of the agricultural products of this Nation, because tobacco is out of the picture—are receiving the benefit of a 90 percent rigid price support structure on an unrealistic parity basis, and are being led, thereby, to do exactly what they did in time of war, namely, to overproduce, to produce excessively, to mine their lands, and then to sell their products to a benevolent government, which wants them to be happy and prosperous, which wants them to produce abundantly, but which certainly is not under any obligation to pursue a course that is not a course of sanity, reason, and commonsense.

Mr. HUMPHREY. Has the Senator produced any figures at all to support his statement that the farmers have planted more acres in corn and wheat in view of the 90 percent of parity support price?

Is the Senator aware of the graphs and charts which I have in my hand, which are reprints obtained from the Department of Agriculture, showing that corn and wheat acreage does not respond to price? I think the Senator ought to know that price is only one of many factors which pertain to production and acreage.

Why are not the facts being told to the American people? As a matter of fact, the only time acreage responds to price is when the price goes down. Then acreage goes up, and production goes up.

Mr. HOLLAND. The distinguished Senator from Minnesota could not be more wrong if he tried to make an inaccurate statement. If the Senator had been present earlier today, during my presentation, he would have heard my figures. I commend to him a reading of my earlier statement, which shows that in every case in which flexible price supports have been applied—and they have been applied in many cases—the course of prices inevitably has been up, instead of down. The program has been one of betterment and balancing off production, and makes a case exactly opposite from that which the Senator undoubtedly believes to be the case, but which is just not the case.

Mr. HUMPHREY. May I ask the Senator from Florida where he obtained his figures?

Mr. HOLLAND. I obtained them from the Commodity Credit Corporation's official publication.

Mr. HUMPHREY. That is where I obtained mine. Someone ought to look into the Commodity Credit Corporation.

Mr. HOLLAND. The Senator from Minnesota did not go to the right place.

Mr. HUMPHREY. I do not have a special "in."

Mr. HOLLAND. Neither does the Senator from Florida. The Senator from Florida has already placed in the RECORD figures relating to that subject, and he shall not weary his other friends by repeating. The Senator from Florida told the Senator from Minnesota yesterday, on the floor, that in the case of peanuts, during the flexible period 1951-52, after having 88-percent supports in 1951, the support price went up to 90 in 1952.

I also advised my good friend, the Senator from Minnesota, yesterday, that in the case of naval stores the support price went from near 60 percent to 90 percent.

The Senator from Florida, however, placed in the RECORD this morning, from official documents, figures showing that in the case of rye, barley, mohair, honey, edible beans, flaxseed, grain sorghums, oats, and soybeans, during the recent years of flexible price supports, beginning with 1950, and through 1953 and 1954, the trend was up instead of down.

I also placed in the RECORD the indisputable fact that the production of 6 commodities under flexible supports, such as oats, rye, barley, soybeans, and the like, was 2 billion bushels a year, as compared with 1 billion bushels of wheat, and yet there is in the possession of the Commodity Credit Corporation less than 45 million bushels or about 2 percent. They are all under flexible price supports. On the contrary, in the case of wheat, which has rigid price supports, and which has an annual production of only 1 billion bushels, there are in the hands of the Commodity Credit Corporation three-fourths of a billion bushels, with the prospect that that amount will increase to 1 billion before the end of the year.

Mr. LONG. Madam President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Louisiana.

Mr. LONG. I recognize that the distinguished Senator from Florida has done much toward benefiting farmers who produce tung oil and tung nuts. I do not wish to disparage his efforts in that regard, but I hope he is not telling us he would like to have imposed upon other farmers a disastrous situation such as that which has existed, and which still exists, among those who produce tung nuts. That is one of the worst situations existing in Louisiana among the farmers.

Mr. HOLLAND. That is correct. The Senator from Florida has been a party to an effort to increase price supports. He was also in favor of the quota restrictions which were imposed last year. He desires that a permanent quota be set, because the price-support program will not be the controlling factor in this matter. A solution will require that we attempt to put our producers on a parity with the heavy producers of Argentina and China. The only way in which we can do so is to have a quota system. To that extent I agree with what the Sena-

tor from Louisiana has said. The point I made is that instead of being always a downward toboggan, for tung oil as well as other commodities under the flexible price supports, the path has been upward.

With respect to many of the other commodities, the price has gone to the maximum by reason of the fact that producers of such commodities have restrained their production, and have cut their production to fit the demand.

Mr. LONG. If the Senator will yield further, I should like to suggest to my good friend from Florida that I know of no more disastrous situation among farmers in my State than that which exists among the producers of tung oil. If the farmers could cut down their entire crop of trees, forget the whole project, and call it a bad venture, they would like to do so. Unfortunately, however, they have planted the trees. It requires many years for the trees to grow, and the producers have continued to hold on, in the hope that the Government might come to their aid. If those farmers were compelled to choose as between 65 percent of parity and 90 percent of parity support prices for tung oil, they would be delighted to choose the 90 percent of parity tomorrow.

Mr. HOLLAND. I have no doubt that that is the case. The gist of their trouble is competition from cheaper sources of supply. Even if they were receiving 90-percent support prices, they still would have trouble competing with producers of a cheaper supply of tung oil.

Mr. HUMPHREY. Madam President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Is it not true that price supports on grains, such as grain sorghums, rye, oats, and barley, are related to the 90-percent price supports on corn and wheat, which are interchangeable feed grains? There exists pretty much what is called a feed equivalent ratio. Is it not true that price supports on those products have been ranging between 85 and 90 percent of parity?

Mr. HOLLAND. That is not entirely true. The point I made is borne out without question by the official report of the Commodity Credit Corporation.

In the case of oats, the support went from 75 percent in 1950, through various gradations, to 85 percent in 1953. In the case of grain sorghums, it went from 65 percent in 1950 to 85 percent in 1953.

Mr. HUMPHREY. Was the same parity formula considered in each instance?

Mr. HOLLAND. This is a flexible price-support program.

Mr. HUMPHREY. Is it the modern parity formula?

Mr. HOLLAND. Modernized parity comes into the picture.

Mr. HUMPHREY. In 1950 also?

Mr. HOLLAND. No.

Mr. HUMPHREY. There is a great deal of difference in the percentages and the arithmetic of the Commodity Credit Corporation.

Mr. HOLLAND. In the case of barley, the support price went from 75 percent in 1950 to 85 percent in 1953. In the case of dry edible beans, the price sup-

port went from 75 percent in 1950 to 87 percent in 1953. In the case of soybeans, the price support went from 80 percent in 1950 to 90 percent in 1953.

The most impressive fact the Senator from Florida brought forth, at least in his own opinion, was the fact that as to those 6 commodities the average price on June 15 of this year in the market place was 85 percent. They are all under flexible price supports. On the other hand, in the case of wheat, the average market price was only 77 percent.

Another impressive point was that the 6 commodities mentioned had produced only 2 percent of a year's crop to be handled as surpluses, and to be acquired by the Government; whereas in the case of wheat 75 percent of a year's crop was on hand as we started the harvesting season.

So there is evidently some great difference between the two groups. One difference is that, as to the six commodities which are under the flexible program, farmers have been trying to adjust their production to demand, as shown by the fact that there have been no surpluses.

In the case of wheat, there has been no such effort. Instead, the farmers have been mining the soil in some cases simply to sell wheat to the Government.

That is a policy which neither the Senator from Minnesota nor any other Senator can support. If he does support that policy, he does it in the face of popular opinion, which does not approve that policy. There must be either a correction of the program or a collapse of the program. What I am trying to bring about with all the strength I have is a correctional program rather than a collapse.

I ask the Senator from Minnesota to think over well the two alternatives which confront him and the American people at this time.

Mr. YOUNG. Madam President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from North Dakota.

Mr. YOUNG. I should like to clear the record relating to the statement regarding the increasing support level for feed grains.

While the support level increased, it was due entirely to the switching over to the modernized parity formula, and the actual cash support level remained the same each year. Even though there was an increase of approximately 5 percent each year, the actual cash level remained almost exactly the same.

Mr. HOLLAND. The Senator from North Dakota has made no comment on the fact that representatives of the soybean industry have come to Washington and have requested a reduction in the support price for soybeans from 90 percent to 85 percent, in the last few weeks. Does the Senator from North Dakota care to comment on that fact?

Mr. YOUNG. Yes; because soybeans are in worldwide demand, and the price is away above support levels, and the soybean producers do not need any support levels at all.

Mr. HOLLAND. Why does it follow, from that, that they would prefer 85 percent supports to 90 percent supports?



Mr. YOUNG. I do not know that the farmers themselves have indicated that.

Mr. HOLLAND. Is it not fair to conclude that the only reason in the world why they would prefer 85 percent supports, rather than 90 percent supports, under the circumstances, is because they believe that the program under 85 percent supports is a sound one and will keep them from getting into trouble later on?

Mr. YOUNG. Who has proposed 85 percent, on behalf of the soybean producers?

Mr. HOLLAND. My understanding is that it was a general request. I saw it in the newspapers, including the trade papers. The Senator from North Dakota does not deny that, does he?

Mr. YOUNG. Yes, I do; I know of no farm group which has requested that.

Mr. HOLLAND. Then the source of information of the Senator from North Dakota is different from mine. But I have seen it in several places, and I think it can be relied upon.

Mr. YOUNG. I think every farmer in the United States would be perfectly willing to do away with all price supports and all subsidized programs, except that to take care of soil conservation, if all the other segments of the economy were willing to do away with their subsidies, their labor contracts, and their means of controlling prices and many, many other devices and programs available to industry.

Mr. HOLLAND. I appreciate that observation on the part of the Senator from North Dakota.

My point has been, and still is, that I do not think the position of Senators who wish to have 90-percent supports continued, and to have the piling up of surpluses continue, is a reasonable one. I think it flies in the face of public opinion, and flouts public opinion and flouts the opinion of producers in other agricultural industries.

When I consider the 30 million acres which were diverted this year, and the greatly increased acreage to be diverted next year, I point out that we should remember that those 30 million acres are equal to the entire area of New England, less Maine, and plus New Jersey and Maryland; and I wish to remind my colleagues that that diversion carries an ax over the heads of many other producers in the Nation.

How does the Senator from Minnesota or how do his friends who stand with him justify a position which offers that distinct threat to the continued existence of various other agricultural industries; and how can he and his friends plead this cause in the name of all agriculture, when what he is arguing for, in connection with the basic commodities, is special protection to 19.57 percent of agriculture, aside from tobacco; and no one intends to change in the slightest the program for tobacco.

Mr. HUMPHREY. Madam President, will the Senator from Florida yield at this point?

Mr. HOLLAND. I yield.

Mr. HUMPHREY. I think one of the most interesting observations the Senator from Florida has made was his reference to soybeans. He used soybeans

as a classic example of the effect of the flexible-price-support program. The truth is we had the surpluses of soybeans when we had the low price supports of soybeans; and the time when we had the shortage of soybeans was when we had the 90-percent price supports.

Mr. HOLLAND. Madam President, the Senator from Minnesota is now justifying the thinking of those who advocate the flexible price-support program. It is our position that when the price is low and the supply is large, and the support price then comes down, the farmers scratch their heads more and adjust their planting to meet that demand. That is the history of the matter, and no one can show that it is not.

Mr. HUMPHREY. Well, the price-support level on soybeans was approximately \$2.35 or approximately \$2.50, let us say, considering the price to the dairies and throughout the country. The cash price last fall and last summer in Minnesota was approximately \$2.18, and the farmers sold about one-third of their crop at \$2.18. The rest of the crop got into the hands of some of the large buyers or was put under loan. Today soybeans are selling for approximately \$3.75.

At this time I look at my friend, the Senator from Massachusetts. His State is a great industrial State. I ask him how it would help his State to have a program which would permit scarcity, with the result that the price of soybean oil and soybean meal and other soybean products would rise far above what it would be if there were abundance of the product and if there were a sensible supply level. This is what constantly happens under the flexible price supports the Senator from Florida is talking about. The one who is chiefly helped is the speculator, who gets his hands on the product and holds it as long as he thinks there is a plentiful supply on the market, and then sells it at a time when there is a shortage on the market, at which time he sells it—as of today—for \$3.75.

Mr. HOLLAND. Madam President, that is an interesting observation, and the Senator from Minnesota was able to pull at least one rabbit out of the hat.

Mr. HUMPHREY. Oh, I pulled out a whole horse.

Mr. HOLLAND. But when we look at another group of products, which are selling at the upper level of the price supports which are permitted, and are not being produced in surplus, and are being produced on the basis of a partnership relation between the Federal Government and the producers, under which the producers are trying to adjust their production to the demand, if the Senator from Minnesota will look at all those others, he will find a very powerful plea for flexible price supports.

Mr. HUMPHREY. Madam President, let me say to the Senator from Florida—

Mr. HOLLAND. Madam President, I wish to conclude my remarks, because I have already occupied the floor too long. After I conclude my remarks, I shall be glad to yield.

Madam President, I return to the thought that Senators who will not listen when friendly people who are fight-

ing for agriculture, and have fought for agriculture all their lives, are trying to tell them what, in their judgment, is the commonsense approach in this matter, the result may be to bring upon those Senators and the States they represent much more disastrous results, even according to their own thinking, than the possible slight reduction in price supports and the placing of the matter on a flexible basis, inasmuch as it is the opinion, not of just a particular group of Senators here, but of many agricultural economists throughout the Nation, that the producers on the long-time basis, and the consumers on the long-time basis, and the Nation on the long-time basis are better served. So I am saying that such Senators are very likely to bring disaster upon themselves.

Madam President, I close by saying that I was born and raised in the largest agricultural county in the State of Florida, the only agricultural county in the South that, because of the value of its products, has been on the banner list of prize counties—a list issued every year by the Department of Agriculture—every year since the list has been issued. I have fought for them in the State legislature. I have fought for them during the time when I served as governor of my State. I have fought here in the Senate for them, as well as for the rest of agriculture. I tell my friends here in the Senate that not only is this my individual thinking, but it is likewise the thinking of tens of thousands of agricultural producers who are friendly to every other agriculture producer, but who think the present program is outrageous and cannot be defended, and that it is not sensible to request that a program which was devised to result in excess production in time of war, be continued as a peacetime program, when exactly the same result is being attained, and always will be. So Madam President, respectfully, cordially, and kindly I am trying to say to my friends here in the Senate—and I am trying to present the matter in the ablest way I can—that we believe they are making a most tragic mistake if they ignore public opinion and the facts of the case; and in my judgment they had better begin to reconsider their own points of view, so as to see what is likely to follow if they persist in following the existing program, rather than in acting to provide the greatest good to all those in agriculture and also to bring the fairest value to our Nation.

Mr. LONG. Madam President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. LONG. The point where I cannot agree on this issue with my great friend, the Senator from Florida, is that it does not make sense to me that, with people going hungry the world over, we should restrict the great, abundant capacity for food production in the United States. It seems to me that our overall program should call for expanding our production of all the agricultural commodities our Nation can produce; and I believe we should work out with the rest of the world a sensible trade program, so as to make it possible for the rest of the world to acquire what we can produce in such

abundance, and of which others have so small a supply.

Mr. HOLLAND. Mr. President, I think there is much truth in the statement of the distinguished Senator.

The Senator from Florida is a member of the Committee on Agriculture and Forestry, and has worked for and supported the measures which have now become law, which provided, in the first instance, subsidies to agricultural exporters to enable them to rebuild their trade, and which created a fund of \$500 million so as to enable them to deal advantageously in foreign exchange, and to permit them to market their commodities behind the curtains, not the Iron Curtain but the exchange curtains of countries which have different financial structures from our own and cannot buy our agricultural products because of differences in exchange.

I have supported such measures as the furnishing of wheat to India, giving wheat to Pakistan, and authorizing the President to give food to East Berlin and to others who may better deserve kind treatment at our hands.

I have supported everything I can think of which would tend to solve the problem agriculture faces. So have other Senators. All Senators have voted for such measures.

I should have added the school-lunch fund and the large sales to the Army of millions of pounds of butter at 20 cents or twenty-odd cents a pound, although the Government paid 3 times that for it.

We have done everything we could think of to help solve the agricultural problem. But butter in storage has been piled up over our heads, wheat has filled all our bins, and we are making ourselves a laughingstock to our good citizens, who would like to see, and must see, agriculture prosperous, but do not want to see agriculture so obstinate that it continues to stand for wartime production in peacetime.

Mr. LONG. Mr. President, if the Senator will yield further, it occurs to me that there are still great prospects for the stockpiling of various commodities, in addition to farm produce, for which we could trade agricultural products with our friends overseas, without placing those products on the immediate market, but simply holding them off the market against a time of war or of scarcity of supply or a nationwide strike or something of that sort.

Mr. HOLLAND. That feature is in the law now and we are doing everything we can under it. We even enlarged the powers of our officials to enable them to better pursue a plan of outright barter under a recent bill. We are doing everything we know how to build up our strategic supplies through the use of agricultural surpluses, and to do all the other sane things that can be done. But we have come to the point where we must recognize that food is spoiling, and we must recognize that farmers are mining our earth to sell agricultural commodities to Uncle Sam. If we do not recognize that, then I think we fail to see what is a very clear picture.

Mr. LONG. I regret to say, however, that nothing has been done about the proposal of the Senator from Oklahoma

[Mr. KERR] whereby needy people in our own country would be able to have butter and dairy products, and other things we have in surplus, by cashing food stamps which we could make available to them and to our welfare programs; nor has anything been done about the proposal of the Senator from Minnesota [Mr. HUMPHREY] which would make available to the needy of our Nation a great quantity of dairy products; nor has anything been done to increase old-age pensions, many of which, for the most part, represent cash that would be immediately spent—probably 80 percent of it—for food. There is a great prospect of expanding the consumption of food by those who need it most.

Mr. HOLLAND. Yes. Those are interesting and perhaps valuable proposals.

The Senator, of course, does not mean to say that in many cases the needy are not getting food we have on hand. For instance, I noticed in the newspapers within the last week articles about the heavy dispositions of food being made in southern Missouri, where a serious drought has adversely affected many people. I notice things of that kind are being done.

But the point I am making is that the Senators on the Committee on Agriculture and Forestry have, with a singleness of purpose, devoted themselves to trying to find every possible outlet for the surpluses. The Senator from Minnesota [Mr. HUMPHREY] is a member of that committee, and I am sure he will bear out that statement. But with all we have been able to do, and we have been able to do a great deal, the fact remains that so long as farmers mine the soil, so long as they produce, under a war-incentive program, vastly more than we can consume, sell, or give away, apparently, surpluses are going to pile up, and the people of the United States are going to lose confidence progressively in such a nonsensical program, because they know it is the incentive provided under a war program that is resulting in excessive production, without there being a war excuse for the excessive production.

Mr. LONG. Certainly the distinguished Senator from Florida would agree with me, however, that a person trying to eke out an existence on a \$30 or a \$45 welfare check is not living on a protein diet.

Mr. HOLLAND. The Senator is correct.

Mr. LONG. It would be well for us to try to see that those in need at least have an adequate diet before we undertake to reduce the production of food.

Mr. HOLLAND. The Senator from Louisiana knows, of course, that numerous measures of that kind have been suggested and have been pending. We have not been able to work them out in such form as would permit their coming to the floor. They have not all come before the committee, of which I am a member, and they have not come to the floor. It is a difficult problem, as the Senator realizes perfectly well without elaborating on it, to enter into any large-scale consumption program of that kind without disrupting the normal channels

of trade, and that would only make bad matters worse.

So that as yet the Congress, of which the Senator is a distinguished Member, has not been able to devise a satisfactory measure to accomplish the particular objectives which he has in mind.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield.

Mr. KERR. The distinguished Senator from Florida has been talking about incentives for production in wartime, and a program being carried out now in peacetime which was designed for wartime. Was I correct in understanding him to say something to that effect?

Mr. HOLLAND. Yes; something to that effect.

Mr. KERR. The Senator is, of course, aware of the drastic controls, implemented by the Secretary of Agriculture last year and being implemented this year involving a reduction of wheat acreage? There was a large reduction last year of such acreage; there has been another large reduction this year. Likewise there is a large reduction in the acreage of cotton in the current year, and there will be a still further reduction next year. The Senator from Florida is aware of that, is he not?

Mr. HOLLAND. I certainly am familiar with those programs. I know that, in spite of the reduction in wheat acreage, we are still producing a surplus of wheat this year. I know—

Mr. KERR. Mr. President, will the Senator yield for a further question?

Mr. HOLLAND. Not at the moment. I know also that the restriction on wheat acreage, on cotton acreage, and on corn acreage in this one year alone has posed a problem which is not being coped with adequately, and which is endangering numerous other agricultural commodities. I refer to the problem of the use to be made of 30 million diverted acres. I know the problem about which we are talking now. It relates to the basics, and is not a general agricultural problem at all.

I know there are numerous other producers in the agricultural field who have been harmed rather than helped by making available for the production of other crops large areas of diverted acreage. If the Senator thinks that just because a majority of the producers in agriculture in any one State or in any group of States produce basic crops, the same situation exists generally, he is wrong; he is overlooking the fact that in most of the States the opposite is true.

As a matter of fact, the basic crops by value represent roughly 23 percent of the total agricultural production of the Nation. When we subtract tobacco from the basics, because tobacco is not involved at all in any of these programs, we have—

Mr. KERR. Does the Senator mean there is no support program for tobacco?

Mr. HOLLAND. I mean there is a 90-percent support program for tobacco, which I fully discussed, and which is not disturbed by the pending measures. I am sorry the Senator was not present when I fully discussed it.



Mr. KERR. If tobacco is not involved, why did the Senator discuss it?

Mr. HOLLAND. If the Senator will permit me to complete my statement, after subtracting tobacco, because it is not involved in any of these measures, the five basic crops affected represent 19.57 percent by value, of the total agricultural production of the Nation. It is these five basic crops, which now have a 90 percent fixed, rigid support price, that we suggest be placed on a flexible price support basis.

Mr. KERR. I appreciate the remarks of the Senator from Florida, in spite of the fact they are in no way responsive to the question I asked him. But since he did make the statement that tobacco is not involved in this bill, does the Senator tell me that it is not referred to in this bill?

Mr. HOLLAND. I said very clearly that tobacco is not involved in this bill, and that tobacco is left on the basis upon which we put it in 1948. So far as I know, not one Senator or one Representative has suggested any change of that basis, because it is so fair and supportable. I am sorry, as I stated a while ago, that the distinguished Senator from Oklahoma was not present to hear quite a detailed discussion of that point by the Senator from Florida, which was joined in by several other Senators who were then on the floor.

Mr. KERR. I appreciate the Senator's remarks about the Senator from Oklahoma not being here while he was speaking. He has been speaking several hours, and the Senator from Oklahoma has not been here all the time. I do not know what that has to do with the answering of the question I put to the Senator.

Mr. HOLLAND. It has this to do with it—

Mr. KERR. If the Senator—

Mr. HOLLAND. If the Senator will desist, I have the floor.

Mr. KERR. I beg the Senator's pardon.

Mr. HOLLAND. If the Senator will allow me to say so, this subject was very thoroughly discussed earlier by me—and if the Senator will be patient he can read my remarks in the CONGRESSIONAL RECORD, of which it will fill quite a number of pages—and the Senator from Florida, having some obligation to other Senators who were here at that time, does not propose to rehash that whole field.

Mr. CLEMENTS. Madam President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. CLEMENTS. My friend from Florida mentioned the barter program. Is it his understanding that anything has been accomplished up to date by the Department of Agriculture through the barter program in eliminating or reducing the present stockpile of commodities?

Mr. HOLLAND. I have no late information to that effect. All I know is that we have given ample and increased authority for that to be done through a measure recently passed by Congress and signed by the President.

Mr. CLEMENTS. That was merely additional authority, was it not? Has

not the Department of Agriculture consistently had some authority in the field of barter?

Mr. HOLLAND. It has had some authority. I believe the distinguished Senator from New Mexico [Mr. ANDERSON], who at one time during the war served as Secretary of Agriculture, has frequently related to the Senator from Kentucky and myself details of how that power was exercised by him as Secretary of Agriculture during the war years.

Mr. CLEMENTS. Is it not a fact that while the Senator from New Mexico was Secretary of Agriculture he used that authority to the Government's good, to the producer's good, and to the profit of this country?

Mr. HOLLAND. That is correct. That was particularly true in the use of cotton surpluses.

Mr. CLEMENTS. Is it not fair to say that during the past year and a half there is no record of any accomplishment through the use of barter legislation by the present Department of Agriculture?

Mr. HOLLAND. I have no personal knowledge of it. I do know that we have been building up our strategic stockpiles in whatever way those in authority have felt to be the soundest way to help both ourselves and the friendly nations with whom we were dealing. Whether barter was involved in any case, I do not know. I certainly have no knowledge of the use of barter in connection with any such transactions.

Mr. CLEMENTS. I have no information that barter legislation has been used, and certainly it had not been used at the time of the Secretary of Agriculture's last appearance before the Committee on Agriculture and Forestry when the subject was discussed.

Mr. HOLLAND. That is my understanding. However, speaking as a member of the legislative branch of the Government, I would not be inclined, without knowledge of the facts, to criticize anyone in the executive department for not using a particular power. Various powers are given to the executive department. The question of whether powers have been properly used, or the question of which power should be used at a particular time, is of course a question which changes with the changing picture. Therefore, I have no criticism of that kind to make, because I do not have knowledge of the facts involved.

Mr. CLEMENTS. I would not want my friend from Florida to leave the impression that I was being critical. I was merely seeking information for the record. I should like to ask one more question.

Mr. HOLLAND. Then I take it the Senator from Kentucky is not being critical.

Mr. CLEMENTS. I merely wanted to keep the record straight.

Mr. HOLLAND. That is the position of the Senator from Florida.

Mr. CLEMENTS. Is it not a fact that Congress has given to the present Secretary of Agriculture the broadest authority any Secretary of Agriculture has had in the history of the country in the disposition of surplus commodities?

Mr. HOLLAND. I believe that is true. I believe it was needed legislation. I re-

peat that notwithstanding all the authority, both general and special, surpluses are still piling up.

Mr. CLEMENTS. Without any desire or purpose to be critical, is it not a fact that during the past 18 months little, if anything, has been accomplished in decreasing the surplus commodities by reason of this new power?

Mr. HOLLAND. That is correct. To the contrary, surpluses have been increasing. I call the attention of my distinguished friend to the fact—and I know his viewpoint is the same as mine—that increasing the supply of surplus commodities in the friendly nations, or in any particular friendly nation, by sending surplus commodities to nations, to be disposed of within those nations, certainly cannot be done without looking into and recognizing the program of commercial distribution in such countries. We do not want to attempt to help a friendly nation and, by doing so, actually hurt that nation. That is what we could easily do if we did not dovetail our action with their own economy.

Mr. CLEMENTS. The Senator from Kentucky recognizes that it must be done in such a way that it will not disrupt normal channels of distribution and trade.

Mr. HOLLAND. The Senator from Florida expresses the same attitude. However, the Senator from Florida is not able to suggest any specific method for the handling of this program which he knows to be sound. He believes that the executives, who happen to be of the party represented on the other side of the aisle are just as anxious to solve this surplus problem, and just as anxious to do the right thing in that regard to agriculture, to the consumers, and to the taxpayers, as are Senators on this side of the aisle.

Mr. CLEMENTS. I want the record to show that Congress has given all the authority for the disposition of surpluses the Secretary of Agriculture has asked for, and that Congress went further, by even giving authority that he was not willing to ask for.

Mr. HOLLAND. That is correct. I remember that the Senator from Kentucky was one of the authors of such legislation, and I believe the senior Senator from Kansas [Mr. SCHOEPP] also introduced legislation or perhaps the Senators joined as cosponsors. Suffice to say that Congress is doing all it can to help in the solution of this problem. However, I am forced to the conclusion that the problem is growing worse instead of better, when I see surpluses mounting instead of vanishing.

I see no other solution—and if there be another solution, I have not heard it suggested—for taking care of this situation than the one suggested by the minority group of the Senate Committee on Agriculture and Forestry, who have proposed various changes in the bill submitted by the majority of the committee of eight, of which the Senator from Kentucky is one member. The Senator from Florida happens to be a member of the smaller group, which strongly supports the flexible price-support structure on the five basic commodities involved in the proposed change.

Mr. CLEMENTS. I believe my friend from Florida will agree that certainly to a considerable extent our present surplus had its beginning at a time when no one knew what the situation was to be in Korea.

Mr. HOLLAND. I believe that is true, and I think the set-asides would not only take care of it, but very generously take care of it; and set-asides are proposed in both bills.

Mr. CLEMENTS. I believe my friend from Florida will also agree that things are not entirely peaceful in the world at the present time, and that it is not wholly without possibility that a great bank of food and fiber could be of tremendous value, and would have great safety and security value for this country in the days that lie ahead.

Mr. HOLLAND. Yes; I wish to keep a strategic reserve of storable cotton, wheat, and the like. I do not see what conceivable good purpose is being served by the piling up of \$522 million worth of dairy products, especially butter, and I do not believe that the Senator from Kentucky has any defense for that particular part of the program.

Mr. CLEMENTS. I will leave that defense to my friend, the Senator from Minnesota [Mr. HUMPHREY], who is on the floor, and who will discuss the subject.

Mr. HOLLAND. Mr. President, I yield the floor.

#### ORDER FOR RECESS TO 10 A. M. TOMORROW

Mr. KNOWLAND. Mr. President, I ask unanimous consent when the Senate completes its labors this evening, that we stand in recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, so ordered.

#### PROBLEMS WITHIN THE CIVIL AVIATION INDUSTRY

Mr. THYE. Mr. President, the August 2 edition of American Aviation magazine contained a short statement which disturbed me greatly. I want to call that statement to the attention of my colleagues, because I believe that within the very near future, we will have to give serious consideration to certain problems within the civil aviation industry.

The statement in American Aviation reads as follows:

Top Commerce Department officials are being linked with talk of reviving interest in a "chosen instrument" policy for United States international aviation.

They're using President's civil air policy report (prepared by ACC under Robert B. Murray, Jr., Under Secretary of Commerce for Transportation) to support withdrawal of competing international services under guise of Government economy.

Two areas are now chiefly affected: Pacific and Latin America. Northwest Airlines appears to have weathered storm within CAB for Orient route renewal, but still faces fight when case goes to White House. Balboa case, key to Latin American situation, is still undecided in CAB, but promises showdown between Commerce and Justice Departments when it reaches White House.

The importance of that statement is that it merely confirms reports which have reached me in recent weeks that certain people in high positions of Government want to make the so-called chosen instrument theory a vital part of United States international aviation policy.

This policy has been rejected upon numerous occasions in the past by the executive and the legislative branches of our Government. Many assumed that it was a dead issue.

The strategy appears to be to use the civil air policy report of the President's Air Coordinating Committee of May 1954 as a springboard to the adoption of the chosen instrument policy. One reference to the policy is found on page 15 of the report, which states:

National interest factors require that many international routes be maintained, despite subsidy requirements. Route decisions in this area should recognize the necessity of avoiding or eliminating uneconomic duplication of service between United States carriers.

This statement reveals that perhaps the new drive for the chosen instrument policy will be based upon the grounds of economy.

At the moment I am specifically concerned with the Pacific area where Northwest Airlines is currently operating. If the "chosen instrument" policy were in effect, Northwest Airlines would be eliminated from the Pacific, and all United States flag carrier operations would be monopolized by Pan American.

Such action would serve to destroy free competition in a vital segment of our economy. This system of free competition has brought out the finest of man's ingenuity and is a basic part of our Nation's success. We must not destroy that which has contributed so much to the productive and progressive economy which we enjoy.

Thus, we can plainly see that to adopt the new policy would be to accept monopoly within civil aviation. I, for one, will fight any move which will serve to establish a monopoly in this area of our economy or any other.

I am calling this to the attention of the Senate at this time so that it might serve as a warning sign to those who might choose to promote a policy of monopoly in this field.

#### GRAZING LANDS "GRAB"

Mr. HUMPHREY. Mr. President, on Wednesday evening a discussion was held on this floor regarding the attempt to slip the stockmen's grazing bill into the farm bill via amendment.

At that time the Senator from Vermont [Mr. AIKEN] protested against assertions of myself and the Senator from Montana [Mr. MURRAY] that conservationists of the country were vigorously opposed to this move and this bill.

I tried to make clear the position of our major conservation organizations. The Senator from Vermont tried to indicate that earlier objections had been changed, and that conservation organizations were now for this amendment.

Just to keep the record straight, Mr. President, I want to ask unanimous con-

sent to place in the body of the RECORD at this point a group of telegrams I have received indicating that my warning, and the warning of the fine Senator from Montana who has always tried to protect the interests of sportsmen and conservationists, were both well taken. I repeat and emphasize, the sportsmen of America, the conservationists of America, are against this amendment which is merely a rehash of S. 2548, which in itself is a politely worded rehash of the original stockman's bill that stirred up a battle cry of protest among conservationists of this country. I know that other Senators have received similar telegrams protesting this amendment, and invite them to make known their determination that this not be included in the farm bill now before us.

The first telegram reads:

Practically all national conservation organizations still opposing amended version stockmen's grazing bill S. 2548 and protest attaching measure affecting administration of 200 million acres of national forest and Bankhead-Jones lands as a mere rider on farm bill, S. 3052. Several State affiliates of National Wildlife Federation are strongly in opposition.

It is signed by a number of those affiliates.

I have telegrams also from the Minnesota division of the Izaak Walton League; from the executive secretary of the Forest Conservation Society of America; from the Minnesota Conservation Federation, signed by Mr. Cliff Sakry, who, by the way, is one of the officers of the organization which the Senator from Vermont said was in support of the bill, and one from the Floodwood Timber Farmers Association. I ask that these telegrams be inserted in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., August 4, 1954.

HUBERT H. HUMPHREY,  
Senate Office Building,  
Washington, D. C.:

Practically all national conservation organizations still opposing amended version stockmen's grazing bill, S. 2548, and protest attaching measure affecting administration of 200 million acres of national forest and Bankhead-Jones lands as a mere rider on farm bill, S. 3052. Several State affiliates of National Wildlife Federation are strongly in opposition.

Forest Conservation Society of America, Spencer Smith, Secretary; Outdoor Writers Association of America, Michael Hudoba, Conservation Director; Izaak Walton League of America, William Voigt, Jr., Executive Director; North American Wildlife Foundation, C. R. Gutermuth, Secretary; National Parks Association, Devereux Butcher, Editor; Sierra Club, Richard M. Leonard, Director; Sport Fishing Institute, R. W. Eschmeyer, Executive Vice President; Wilderness Society, Howard Zahniser, Executive Secretary; Wildlife Management Institute, Ira N. Gabrielson, President.

MINNEAPOLIS, MINN., August 4, 1954.

Senator H. HUMPHREY,  
United States Senate,  
Washington, D. C.:

Urgently solicit your best efforts toward defeat of Aiken amendment to farm bill.



This apparently underhand attempt to sneak stockmen's grazing efforts in.

MINNESOTA DIVISION, IZAARK  
WALTON LEAGUE,  
GEORGE LAING, *President*.

MINNEAPOLIS, MINN., August 4, 1954.  
Senator HUBERT HUMPHREY,  
Senate Office Building,  
Washington, D. C.:

Your opposition to stockman's grazing amendment in Aiken agricultural bill strongly urged. This legislation would confer private rights in public lands belonging to 160 million people. It would seriously cripple conservation regulations needed for watershed protection and selective cutting.

CHARLES H. STODDARD,  
*Executive Secretary*,  
Forest Conservation Society of America.

ST. PAUL, MINN., August 5, 1954.  
Senator HUBERT HUMPHREY,  
Senate Office Building,  
Washington, D. C.:

Minnesota Conservation Federation backing you in fight to defeat national forest grazing bill from Aiken amendment to agricultural bill, S. 3052. Your work for conservation greatly appreciated.

MINNESOTA CONSERVATION  
FEDERATION,  
CLIFF SAKRY,  
*Executive Secretary*.

MINNEAPOLIS, MINN., August 4, 1954.  
Senator HUBERT HUMPHREY,  
Senate Office Building,  
Washington, D. C.:

Floodwood Timber Farmers' Association strongly opposes Aiken grazing amendment in agricultural bill. Transfer of national forest rights made possible by this amendment would cause serious hardship among small timber producers and ranchers. Resolution adopted at meeting in Floodwood August 2.

FRANK W. HUTCHINSON,  
FLOODWOOD, MINN.

### WHY WISCONSIN FAVORS FOREIGN AID

Mr. WILEY. Madam President, it has been my privilege this afternoon to have discourse with 35 or 36 of our young brethren from overseas. They are boys and girls from 9 different countries in Europe and 1 from New Zealand. They have spent a whole year in the homes and schools of my State. Mrs. Wiley and I got what could be described as a great "kick" out of meeting and exchanging ideas with them. I believe they have acquired a knowledge of America and our way of life that will bear fruit in our future international relations.

I know of no better way to meet the impact of communism than for people, especially young ladies and gentlemen, to get acquainted with the homes and institutions of America, not by reading about them but by living in the midst of them. That is what these youngsters have done.

I read in the paper today that the real issues in Senator KEFAUVER's campaign were the Bricker amendment and mutual aid, and that Senator KEFAUVER stood against the Bricker amendment and for the mutual aid, and was nominated by a vote of more than 2 to 1. That indicates to me that the heart and soul of America are all right.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. HUMPHREY. I thank the Senator for his remarks about our inspiring young people who are here with us today.

Mr. WILEY. Can the Senator recognize them in the gallery?

Mr. HUMPHREY. I think I see some of them up in the gallery. I have been shaking hands with many of them. Many of them spent a year in the glorious area of America known as the State of Minnesota. Perhaps they even had an opportunity to cross the St. Croix River into Wisconsin. They had a wonderful year.

Mr. WILEY. Is not the Senator running for election again? I heard something about that.

Mr. HUMPHREY. The Presiding Officer [Mr. THYE] is aware of the opportunity they had for splendid environment and good education.

Mr. WILEY. I am glad to yield to anyone who loves his home State and his own country as the Senator does; and I am glad to see sitting in the Presiding Officer's chair at this time the distinguished senior Senator from Minnesota.

After all, Minnesota has about 10,000 lakes, while Wisconsin has about 8,000. The Mississippi and the St. Croix Rivers are between us.

Both States have Lake Superior to the north; but we go Minnesota one better. We have Lake Michigan on the east. Both our States have much to be grateful for. We are a happy, resourceful people. And these young people have seen how happy and healthful and prosperous we are. But, above all, we have faith in God and in our blessed institutions. We wish our young visitors a happy return to their homelands. May they never forget America and Wisconsin's dairy products.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement which I have prepared on the subject Why Wisconsin Favors Foreign Aid.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR WILEY MUTUAL AID IS VITAL TO WISCONSIN AND THE NATION

I was interested to note in yesterday's August 5 CONGRESSIONAL RECORD, on page 13491, comments made by one of my distinguished colleagues on the House side from the Badger State.

My good friend attempted to answer certain points which I had made at the outset of the mutual security debate in the Senate.

In my opening remarks, I had pointed out the indisputable fact that the State of Wisconsin had received a good many economic benefits from the mutual aid program.

Wisconsin farmers had benefited from improved export markets; Wisconsin businessmen had benefited from increased overseas customers. These markets and customers—representing \$286 million worth of Wisconsin sales—had been in a healthy position thanks to the wise American aid program.

So, I pointed out that by strengthening foreign economics we were, in effect, strengthening our own. I pointed out that

military and economic aid abroad isn't a one-way street. It is a two-way street in which benefits flow back and forth across the Atlantic and Pacific.

My colleague, however, pointed out, in turn, that Wisconsin's share of the cost of the overall mutual aid program was and is considerable.

That is not stating anything new on his part. The fact of the matter is, that the public has heard for eight and more years about the costs of our economic and military aid program, but it has heard almost nothing of the economic benefits to our own country of that program.

Therefore, my colleague was simply adding repetition to repetition in a narrow view of the costs. Simultaneously he was trying to belittle important facts which have not previously been brought to the attention of the American public.

But the facts stand nonetheless. Wisconsin has benefited from the mutual aid program and so has every other State of the Union.

Wisconsin has benefited, too, from our allies' tens of billions of dollars of NATO expenditures—money which these countries have invested independently and in collaboration for mutual defense.

But all my colleague can apparently do is speak of costs.

Let me say that all of us who favor the program (and, fortunately, we are more numerous than the adherents of my colleague) are aware of these costs. We are aware of the burden on United States taxpayers, but we know that those costs and burdens could be 3, 4, or 5 times worse if mutual aid did not exist and if Western Europe, for example, were swallowed up by Russia.

Why does not my colleague point that out?

Why does he not point out that the President of the United States, the head of my colleague's own political party, the Chief Executive, who is certainly no spendthrift, is heart and soul for this aid program?

Let me say very emphatically that this is no personal dispute between my colleague and myself. We respect one another, we have been friends a long time, but we do differ on these principles.

If my colleague chooses to ignore the position of the head of his party, the position of the majority of his party in both the Senate and House, the position of his party's leadership in the executive and legislative branches, that is his prerogative.

I, in turn, simply want to point out these facts. I cite them in a spirit of clarity and friendship, and for no other purpose.

#### FOREIGN AID HAS NOT FAILED

The major point made by my associate is that the foreign-aid program has allegedly failed because of communism's advances since World War II. This fallacious argument also has a moth-eaten quality. It has been used year after year, over and over; and, to my way of thinking, it is completely beside the point.

The basic question is not, "Has communism grown since World War II?" Obviously, it has grown, unfortunately. The only real question is, "Would not communism have grown infinitely faster, have covered an infinitely broader area, had it not been for our aid program?"

"Would France and Italy not have succumbed to communism?" Would not Western Germany itself, into which we have poured billions, have fallen behind the Iron Curtain?—Western Germany, from which many of Wisconsin's finest citizens are descended—Western Germany, which has so successfully rebounded to economic health, unlike the Eastern Zone, from which many of my Badger constituents are also descended, and which has unhappily suffered the dismal fate of Communist slavery?

## WE PROVIDE HOPE TO ENSLAVED MILLIONS

The question is not, "Has our aid program failed because Poland, for example, has been enslaved by communism?"

No, that isn't the question. The question is, "Do we not through our mutual aid program provide a great measure of hope that one day brave, devout Poland, which has also contributed so many fine Badger folks—the Poland, of Paderewski and Kosciuszko—will one day be free?" "Do we not give hope to enslaved Poland thanks to the fact that we have helped save Western Europe and have built in Western Europe a bulwark which challenges the tyrants of the Kremlin?"

But ignoring these points, the critics of foreign aid continue to moan and groan.

They remind me of individuals who try to make this sort of argument: "See the shocking crime rate in our major cities. Obviously, our police departments—which cost us a lot of money—have failed. Therefore, let us abolish all police departments."

That, to me, is an analogous mistaken argument to the one cited by my congressional colleague.

He asserts that aid has failed. Why? Because communism has grown. Therefore, let us abolish aid and thereby permit communism to grow twice or three times as fast. Is that what he wants? Does he want to surrender the rest of the world on a silver platter to the Kremlin?

Does he want to surrender our United States airbases in England, Morocco?

How far does he want us to retreat? Does he want us to give three-fifths of the world to the Reds, fourth-fifths, nine-tenths?

Does he perhaps want continued aid to Turkey, to Greece, to Western Germany, but not to France or Italy? What sort of a defense line does he propose to build? Or would he prefer that we stand alone—with no allies, no bases, no overseas sources of strategic materials, no industrial superiority?

## WISCONSIN WILLING TO PAY ITS SHARE

Now, let me make one additional point. I have stated that Wisconsin has benefited economically from mutual aid. My colleague has said that Wisconsin has paid considerably for mutual aid. The fact is that in these basic facts, both he and I are right.

Wisconsin has benefited, but she has also paid a good deal.

But I say that Wisconsin and the other 47 States of the Union would be perfectly willing and are perfectly willing to bear their economic costs of this aid program, even if not a single dime flowed back to Wisconsin. Why? Because the people of Wisconsin, including my friend from the House, value human life more than we value dollars.

If America were to be plunged into a third world war because communism had grown so strong and reckless that it felt invincible, what would be the price tag on the death of millions of Americans?

Could anyone reckon the cost to Wisconsin of an atomic bomb falling on Milwaukee or on Racine? Could anyone reckon the cost to America of millions of our citizens dying in a holocaust?

Even if one did not assume, as one should, the fact that our own country would be attacked and would suffer terrible casualties in a world war III type war, the fact is that even a World War II type of war is infinitely more costly than our whole economic and military aid program.

During World War II, we were spending at the rate of a quarter of a billion dollars a day.

I repeat, a quarter of a billion dollars a day. Has my friend stopped to figure out what world war III would cost Wisconsin in terms of dollars, let alone in human life?

He said aid is no bargain. I say it is a bargain; it is cheap compared to the loss of life of a single boy from Racine, Beloit, or Janesville.

## CONCLUSION

Foreign aid is a necessity. I wish that we were not the case. I wish that we could spend this money on our own country or not to spend it at all.

But we have no alternative. We are not going to be pennywise and pound-foolish. We are not going to pinch pennies and lose the world. Dollars alone will not save the world, but a spirit of collaboration will, and that is what I am for and what my colleague is apparently against.

## EMILIA PAVAN

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1702) for the relief of Emilia Pavan, which was, on page 2, line 3, strike out "in excess of 10 percent thereof."

Mr. MAYBANK. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

## EXTENSION OF DIRECT HOME AND FARMHOUSE LOAN AUTHORITY

The PRESIDING OFFICER (Mr. BEALL in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 8152) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. CAPEHART. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. CAPEHART, Mr. BRICKER, Mr. IVES, Mr. MAYBANK, and Mr. ROBERTSON conferees on the part of the Senate.

## AGRICULTURAL ACT OF 1954

The Senate resumed the consideration of the bill (S. 3052) to encourage a stable, prosperous, and free agriculture and for other purposes.

Mr. LEHMAN. Mr. President, I have wrestled long with the pending question—flexible versus firm price supports, for basic commodities and for dairy products—and have arrived at my conclusions not without difficulty.

I represent the most populous State in the Union, almost one-tenth of the population of the Nation. New York is generally conceived to be and is, indeed, largely an urban State, containing about one-eighth of all the city dwellers of the United States.

The city dwellers are, of course, the primary consumers of farm products, the principal customers of the farmers of America. Hence, as a Senator from New York, I must necessarily represent the consumer's viewpoint, as I seek to do for all other groups.

But there are also, in New York State, 2,147,000 farm and rural dwellers. New York State is not only a mighty commercial and industrial State; it is also one of the Nation's leading agricultural States. It ranks first or second as a producer of many agricultural products, chiefly, and above all, dairy products.

So I have had to consider this legislation from the point of view of the farmers of New York State, too.

Although the dairy industry is the heart of the agricultural economy of New York State, we are also among the leading producers of potatoes and other vegetables, of apples and grapes, and of eggs and poultry products.

But New York State does not figure significantly in the production of the so-called basic commodities—wheat, corn, cotton, rice, tobacco, peanuts, tung nuts, and honey. In fact, only 2 or 3 percent of the agricultural production of New York State is covered by basic commodity-price supports.

It was from the starting point of these facts that I undertook to examine the pending farm legislation, to see which of the proposals before the Senate—firm price supports, or the so-called flexible supports—would best serve the collective interests of the people both of New York State and of the Nation.

The farm bill as reported by the Senate committee includes one set of provisions extending for 1 year the firm 90 percent price supports for the so-called basic commodities, and another set of provisions establishing firm 85 percent price supports for dairy products.

The distinguished Senator from Vermont [Mr. AIKEN], on behalf of the administration, proposes to eliminate the 90 percent price supports for the so-called basic commodities and to substitute the so-called flexible parity supports for these commodities, with a minimum of 75 percent; and for dairy products to maintain the present system of supports, with the actual level at 75 percent of parity, as set by Secretary Benson on April 1 of this year.

In order for me to determine the position I should take on this legislation, I have examined first of all the administration's arguments in favor of its position.

These arguments are quite simple—far too simple, in fact. The impression is given that the administration seeks lower prices for the consumer and greater economies for the taxpayer. The impression is given that the chief obstacle to the attainment of these objectives is the intransigence of a small and selfish minority of farmers who desire to be subsidized at the expense of the consumers and of the national economy.

On examination, this administration's position presupposes that there is a basic conflict of interest between the consumers and the farmers.

If I were to follow that line of reasoning, Mr. President, I would be forced, in regard to those provisions of the bill establishing 85 percent price supports for dairy products, to weigh the interests of the dairy farmers of New York State against the interests of the consumers of New York State, and to concede that



there is a fundamental conflict of interest between these two groups.

As far as the 90 percent support price for the so-called basic commodities is concerned, the administration's position presupposes a basic conflict of interest between the wheat, corn, and cotton farmers who want 90 percent parity on the one hand, and the New York farmers whose produce is not covered by basic price supports on the other.

So the picture we get from the administration is a picture of conflicting forces and conflicting interests, in which the interests of one group of our population are set against the interests of other groups. And I, as a Member of the Senate, am asked to choose which of the groups I wish to serve and which I wish to sacrifice.

I disagree fundamentally and violently with this entire approach to the legislation and to the problem before us. I consider it unfortunate in the extreme that the administration has undertaken to present this issue in divisive terms—terms of conflict of interests, in terms which I consider to be not only oversimplified and overdrawn, but also directly contrary to the basic economic facts of life in this country.

There should be no conflict. The interests of our entire people cannot be divided or placed in separate compartments; they must be considered as a whole.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. EASTLAND. The Senator from New York is making a very able speech. Does not the Senator believe that the welfare of all the people of the country depends upon maintaining the American standard of living in every segment of our population, and that none of us can prosper if agricultural prices or wages are so low that the producer of agricultural commodities or the laborer in industry can be ground down into poverty?

Mr. LEHMAN. I thank the senior Senator from Mississippi. I intend to develop that point a little later in my remarks. I am in full accord with the Senator's viewpoint. That policy has actuated my every course in the Senate since I first became a Member 5½ years ago.

I believe that for the country to enjoy real prosperity there must be complete prosperity; there cannot be poverty, suffering, and misery in one part of the country, wherever it may be, without there being an effect on the entire country. That has been the reason why, time after time, I have supported proposals for the development of waterpower and the conservation of natural resources in areas of the country which had very little direct effect on New York State; but I have done so with full confidence, because I am convinced that what is good for one part of the country is good for New York State.

The people of New York will inevitably profit by the prosperity of California, Mississippi, Georgia, Minnesota, or Wisconsin. Conversely, what is bad for one part of the country necessarily has an

adverse effect on the prosperity of New York.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. MAYBANK. The distinguished Senator from New York knows the South very well. Is it not a fact that most of the depressions in the United States have originated on the farms and in the rural areas, and have then spread to the cities?

Mr. LEHMAN. I am in full agreement with that statement. I shall develop that a little later in my remarks.

Mr. MAYBANK. I did not mean to lead the Senator on, but I was certain that, from his great knowledge of Alabama, for example, it would be his belief that most of the economic trouble starts when the people in the cities cannot sell their products to the farmers for cash on Saturday night.

Mr. LEHMAN. There is no doubt whatever about that.

Mr. President, back in the dark days of our great economic depression, I was lieutenant governor and then governor of my State. I was confronted, on the one hand, by the distress of the farmers and, on the other, by the unemployment and impoverishment of the workers. It was my belief then that unemployment in the cities was directly linked to the low level of income on the farms, and that economic recovery consisted of simultaneous measures to raise the level of income on the farms and to increase purchasing power in the cities.

Those two things in my opinion cannot possibly be safely or logically separated.

I believe with all my heart—this is a little repetitious of what I said 3 or 4 minutes ago—that the prosperity of our entire economy is dependent upon the prosperity of each segment of that economy, and that as one segment is hurt, all segments inevitably suffer. What is good for the farmers of North Dakota, Iowa, and Minnesota or Mississippi is good for business in New York.

So, Mr. President, I reject the administration's fundamental approach. I recall only too vividly when the average factory wage in New York or elsewhere was 30 cents an hour. I recall the breadlines and the soup kitchens. Today the average factory wage is over \$1.60 per hour. There are no breadlines or soup kitchens.

I know that the increase in the level of farm income throughout the country has provided markets for the dresses, and suits, and overalls, and shirts, and gloves, and tools, and implements, and all that galaxy of products made in New York—and jobs at good pay for those employed in those industries. The prosperity of these industries, and the jobs available to the workers in these industries, depend in major measure on the prosperity of the farmers of our country.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. YOUNG. I commend my distinguished friend, the Senator from New York for his very good speech. Is it not

a fact that the depression of the 1930's first started with the farmer?

Mr. LEHMAN. There is no question about that. I remember, possibly more vividly than does the distinguished Senator from North Dakota, because I am much older, how it started. It started with the foreclosing of mortgages, because the people on the farms did not have enough money to support their families even very inadequately and to meet the interest payments on their mortgages. That condition spread and continued to spread. It spread from the farms to the little banks in the rural sections; it spread to the factories and to the great centers of commerce such as New York, Chicago, Buffalo, and Syracuse. But it all started originally on the farms.

Mr. YOUNG. The Senator is aware, too, of a rather drastic drop in farm income over a period of the past 3 or 4 years, to the point now where it is really beginning to hurt the farm economy. Does the Senator fear that any further reduction of farm income in America may be serious to our national economy?

Mr. LEHMAN. I fear it very greatly. In my opinion, it would certainly have a very devastating effect, and would affect every industry in this country.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LEHMAN. I am glad to yield.

Mr. AIKEN. In the interest of the American farmer, would the Senator from New York continue to restrict the importation of farm commodities from other countries?

Mr. LEHMAN. I did not understand that question.

Mr. AIKEN. I was asking, in the interests of the American farmers, would the Senator from New York continue to restrict the importation of farm commodities from other countries?

Mr. LEHMAN. I believe there are relatively few farm commodities being imported into this country. I would like to see the trade between this country and the countries abroad widened and broadened as much as possible.

Mr. AIKEN. What about trade between this country and Canada? The Senator is aware, is he not, that New York through this year has imported some 25 million bushels of oats a year from Canada, and other large amounts of wheat and barley; and that this year, under the rigid, high-support program, it has been found that the oats imported from Canada interfered with our program, and such importations have been ordered cut about 70 percent, from 65 million bushels of oats a year for the country as a whole to 23 million bushels?

The Senator from New York believes these import restrictions are in the interest of the farmers of New York, does he not, even though the New York farmers at one time used 25 million bushels of those oats a year?

Mr. LEHMAN. I am not familiar with the exact figures.

Mr. AIKEN. I was pointing out that these oats have been ordered excluded in order to protect the 90 percent, rigid price support program.

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

Mr. LEHMAN. I would be glad to yield to the Senator.

Mr. HUMPHREY. Of course, the Senator from New York realizes that the argument the Senator from Vermont is making is simply non sequitur and has no relevancy at all to the question of 90 percent of parity on the basic commodities, because oats is not a basic commodity, nor is barley, rye, or grain sorghums. The truth is that the commodities the Senator from Vermont is talking about are under flexible price supports. He is undermining his own argument. He is on the wrong track.

Mr. AIKEN. Eighty-five percent supports, please.

Mr. HUMPHREY. The truth of the matter is that the program to which the Senator from New York is directing his attention is not interfering at all with the Canadian imports.

Mr. AIKEN. Oh, no.

Mr. HUMPHREY. May I further say it was this good Republican administration which blocked the importations.

Mr. AIKEN. I am sorry I cannot compete with the Senator from Minnesota in the fluent use of the English language.

Mr. HUMPHREY. I appreciate that comment, sir.

Mr. AIKEN. The Senator knows good wheat from Canada is, in effect, absolutely excluded, does he not, and that only feed wheat is permitted to come in? Does the Senator know that?

Mr. HUMPHREY. The Senator from Minnesota is very familiar with that, I may say to the Senator from Vermont.

Mr. AIKEN. I do not think the Senator is familiar with it. I do not think he is so familiar with it as he thinks.

Mr. HUMPHREY. May I say the Senator from Vermont does not have to resort to personal innuendo to win his point.

Mr. AIKEN. What personal innuendo?

Mr. HUMPHREY. If the Senator will review the record he will find that to be the case.

Mr. AIKEN. Very well.

Mr. HUMPHREY. The Senator from Vermont was talking about the importation of oats and the Senator from Minnesota merely said that the importation of oats was not involved under the 90 percent price support program.

Mr. AIKEN. But the Senator from Minnesota has secured a provision in this bill which he supports, which puts oats under a mandatory price support program away over the support given the basic commodities today.

Mr. HUMPHREY. At the feed equivalent value.

Mr. AIKEN. That puts those commodities at well over 90 percent in the commercial corn area, and less than they are getting today in the noncommercial areas. That is what I was talking about to the Senator from New York. What he is advocating is the prevention of the importation of oats, wheat, and barley from Canada to be used by the New York farmers.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LEHMAN. I will yield in a moment.

I say to my distinguished colleague from Vermont [Mr. AIKEN] I was very much interested in the learned colloquy on a technical basis between two distinguished members of the Committee on Agriculture and Forestry, who know much more about wheat and corn than I do. But I wish to emphasize the fact that what I have been attempting to demonstrate was the need for a rigid price support of 90 percent on the basic commodities, and a rigid or firm price support of 85 percent on dairy products.

It seems to me that the Senator from Vermont has injected into this discussion a question of reciprocal trade agreements, if I understood him correctly.

Mr. AIKEN. That is very much involved.

Mr. LEHMAN. It is definitely involved.

Mr. AIKEN. Yes.

Mr. LEHMAN. I wish to make it clear beyond any question that no Member of the Senate today believes more strongly than I do in reciprocal trade agreements, and that every effort should be made to increase the peaceful trade between the free countries of the world.

I yield now to the Senator from North Dakota.

Mr. YOUNG. I believe the Senator from New York will agree that the limitation on imports of oats had nothing in the world to do with any price-support program.

Mr. HUMPHREY. Of course not.

Mr. YOUNG. I think the Senator from New York is to be commended for the position he is taking, and I think in the long range it is in the best interest of the State of New York and the Nation.

New York, as I understand, is a deficit feed area.

The very argument proponents of flexible supports have used all along is that rigid supports create surpluses, and that under flexible supports the cash price will be 82 percent, 80 percent, or 77 percent of parity. If that argument be a correct one—although I do not think it is, all the way through—but if it be correct, and if abundant supplies of feed grains are selling for 75 percent, 80 percent, or 82 percent of parity, what State of the Nation stands to gain more than the State of New York?

Mr. AIKEN. North Dakota.

Mr. LEHMAN. I think it is definitely in the interest of the State of New York; but I am taking my position on the basis that it is in the best interest of the entire Nation.

Mr. YOUNG. That is a most commendable position.

Mr. HUMPHREY. Mr. President, will the Senator from New York yield to me?

The PRESIDING OFFICER (Mr. THYE in the chair). Does the Senator from New York yield to the Senator from Minnesota?

Mr. LEHMAN. I yield.

Mr. HUMPHREY. I also favor putting the national interest above what

might be called the local interest or the provincial interest.

The Senator from New York has put his finger on the Achilles heel of the flexible price-support program, with its argument that "You will get 100 percent of parity in the market place by promoting scarcity and thereby forcing up the price of grain."

Their argument against rigid price supports is that they do not work, anyway; that they simply result in having the Government obtain the grain, and that the cash price is low.

So it is apparent that in the case of the deficit feed areas, the rigid price-support system is much better.

Mr. President, I wish to thank the Senator from New York for his kindness in yielding to me. I regret the other exchange, which was beyond the point of discussion. I think the Senator from New York was talking about the Aiken amendment, which would substitute 80 to 90 percent of parity for 90 percent of parity.

Mr. LEHMAN. Yes; that was the point.

Mr. HUMPHREY. It was not a question of whether the Senator from New York was interested in reciprocal trade.

Mr. LEHMAN. Of course. Frankly, I was never able to see the connection.

Mr. YOUNG. Mr. President, will the Senator from New York yield to me?

Mr. LEHMAN. I yield to the Senator from North Dakota.

Mr. YOUNG. In recent months, much has been made of the fact that we have surpluses of grain. Proponents of flexible price supports have been bemoaning the fact that we had an expected carryover of corn in the amount of approximately 900 million bushels. We heard such complaints until about 3 weeks ago, when the drought began to spread all over the Nation, and when the new crop forecasts began to come in.

I have a recent forecast from the Chicago Northwestern Railroad, which reads as follows:

The total United States crop has been cut appreciably in the last month. As of this writing, a 2½ billion bushel total could be the maximum produced. We estimated a 3-billion bushel total on July 1.

Or about 800 million bushels less than a year ago.

I wonder what State would stand to gain most from the surplus of corn that will be carried over. That corn, which we badly need, is the only thing that has kept corn prices from zooming. That is what would happen if the carryover was not available, in the face of the prospective deficit in the production of feed grains this year.

Mr. LEHMAN. But for the carryover, the entire country would be paying the highest prices for feed grains.

Mr. AIKEN. Mr. President, if the Senator from New York will yield to me, let me say that I notice he advocates raising the supports for dairy products to 85 percent of parity. That would mean an increase of approximately 3 cents a pound for cheese, and an increase of approximately 6 or 7 cents a pound in the retail price of butter. Does the Senator



from New York believe that an increase in the price of butter, cheese, and other dairy products to the consumers at this time would be in the interest of the dairymen of New York?

Mr. LEHMAN. In the course of my remarks I shall develop that point in some detail.

Mr. AIKEN. Then I shall await the further remarks of the Senator from New York.

Mr. LEHMAN. However, at this time, I am glad to answer the Senator's question. Of course, we hear a great deal about the increase or decrease in the cost to the consumer; but we have heard very little about the decrease in the farmer's income. The fact remains that in the past 2 or 3 years, there has been a decrease in farm income, ranging between 15 and 20 percent. I believe it is closer to 20 percent, actually. That is a large decrease. It is enough to spell the difference between a decent standard of living and poverty and suffering. Yet the consumer, who should be helped—and I hope means will be found to help him—has been saved less than 1 percent in his food bills, over the same period.

In other words, whereas the farmer has been mulcted beyond all conscience, through a lessening of farm income, the consumer has not profited at all. Apparently all the profit has gone to the processor or the middleman.

Mr. EASTLAND. Mr. President, will the Senator from New York yield at this point?

Mr. LEHMAN. I am glad to yield.

Mr. EASTLAND. Is it not a fact that today food prices are 1 percent higher than they were 3 years ago?

Mr. LEHMAN. I am glad to have that contribution. I thought they were a little bit less than 1 percent lower, but I have no doubt the distinguished Senator from Mississippi is correct.

Mr. EASTLAND. No, Mr. President, I think the Senator from New York will find that, today, food prices are 1 percent higher than they were 3 years ago, whereas food prices at the farm level are 18.8 percent lower than they were 3 years ago.

Mr. LEHMAN. That is quite correct. I did not know they were actually 1 percent higher. I thought they were one-half of 1 percent lower. But even that would make no difference.

Mr. AIKEN. Mr. President, will the Senator from New York yield, so that I may state for the RECORD the accurate figures?

Mr. LEHMAN. I am glad to yield.

Mr. AIKEN. I have figures which were received just this morning. They show the increase or decrease of marketing margins on the farm-food basket, as follows: 1949 over 1948, an increase of 1.6 percent; 1950 over 1949, a decrease of 2.4 percent; 1951 over 1950, an increase of 7.9 percent; 1952 over 1951, an increase of 2.8 percent; 1953 over 1952, an increase of 0.7 percent; and for the first 5 months of 1954, no change over 1953.

Mr. EASTLAND. Mr. President, will the Senator from New York yield to me?

Mr. LEHMAN. I yield.

Mr. EASTLAND. According to the figures coming from the House Commit-

tee on Agriculture, food prices today are 1 percent higher than they were in 1951.

Mr. AIKEN. But the figures used by the House committee include the price of coffee, the price of cocoa, and the price of various other commodities not grown on the American farm. The increase in the price of those imported commodities is what is responsible for the increase to which the Senator from Mississippi refers.

Mr. EASTLAND. However, food prices are 1 percent higher.

Mr. AIKEN. But coffee went up terrifically in price, and cocoa also increased in price.

Mr. EASTLAND. I am speaking of the overall situation.

Mr. AIKEN. I am speaking of the American farm food basket, whereas the figures used by the House committee include various exotic foods or imported foods.

We know that although the Senate has tried twice to prevent an increase in the price of coffee, we never have been able to succeed in having such action taken by the House of Representatives.

Mr. EASTLAND. But coffee is a minor item and would not affect the overall situation.

Mr. AIKEN. Coffee is one of the most important items, in terms of the marked increase in price.

Mr. LEHMAN. But, Mr. President, the Senator from Vermont must admit that there has been a very substantial decrease in the income of the farm families.

Mr. AIKEN. But that decrease or loss to the farm families is rapidly being regained; and if we leave the situation alone for a few months, we shall find that in October farm income will be as good as it was a year ago.

Mr. HUMPHREY. Mr. President, will the Senator from New York yield at this point to me?

Mr. LEHMAN. I yield.

Mr. HUMPHREY. As I understand, the Senator from New York is directing his remarks to the relationship between the consumer and the price-support program.

Mr. LEHMAN. That is correct.

Mr. HUMPHREY. Is the Senator from New York aware of the fact that the Bureau of Agricultural Economics—at least, that was the name of the organization before its name was changed, although it still does the same work—has reported that at the present time, the pay for 1 hour of factory work will buy 289 percent more butter than the pay for 1 hour of factory work would have purchased in the period 1910-14; and today, at the prices which have existed under the program of 90 percent of parity, the pay for 1 hour of factory labor will buy 130 percent more food than could have been purchased in 1929, in that golden era, with the pay from 1 hour of factory work? The fact is that, according to the Bureau of Agricultural Economics, 1 hour of labor would buy 130 percent more butter today, or in the month of April, than it did in 1929, and 67 percent more beefsteak than it did in 1929. An hour of factory labor would buy 69 percent more bread than it did

in that great golden era of Republican prosperity of 1929.

Mr. LEHMAN. I am very glad indeed to have those figures.

Mr. HUMPHREY. These are from the Bureau of Agricultural Economics, and I should be glad to have the Senator glance through them at any time he desires.

Is the Senator aware of the chart prepared by the United States Department of Agriculture relating to the subject matter of the farmer's cash receipts and the worker's income rise and fall, together with the percentage, based upon the 1935-1939 base period?

As the Senator can see, starting back in the period 1910 to 1920, to 1930, to 1940, to 1950, and up through to 1951 and 1952, the lines run parallel. When farm income is down, workers' income is down; when farm income is up, workers' income is up. So it appears to me—and I think the Senator from New York will agree—that the best interest of the consumer is a reasonable price for the producer.

Mr. LEHMAN. Of course, I have already said that. I am emphasizing it again in the course of my remarks. In my opinion, there is no doubt whatsoever that the prosperity of the consumer, who is usually a workingman or woman, depends on farm income, the prosperity of the farmers, because they represent a very substantial segment of those in our economy who buy clothing, farm implements, automobiles, tractors, shoes, construction material, and many other things which are manufactured in our country. So there is no question whatsoever in my mind that we just cannot possibly separate the prosperity of one group of our people from the prosperity of other groups of our people.

Mr. President, what are some of the other arguments of the administration in support of the so-called flexible price-support system? The administration maintains that this is a step toward a return to a free market, and the free play of supply and demand in agriculture.

Mr. President, we tried that for over 30 years, to my knowledge; it resulted in dismal failure and depression. Why should the farmer, of all groups in the population, be exposed to the vagaries and uncertainties of scarcity and surplus, of boom and bust?

Do we not have on our statute books scores of laws whose purpose is to assure a stable market for the producers of manufactured goods? Do we not have on our statute books scores of laws providing for subsidies to various segments of our economic life—merchant marine subsidies, airline subsidies, oil depletion allowances, quick tax amortizations, and depreciation writeoffs?

We have a Robinson-Patman Act against unfair competition in the marts of trade. We have a minimum wage law. We have subsidies and price protections for every segment of business and industry. Why does the administration want to deprive the farmer of his system of safeguards?

Of course, the administration proposal is not designed to do away entirely with price supports. It is just a step in that

direction. Well, what is the administration's design and purpose in this matter? In my judgment the intention of this administration is very clear. There is no doubt about it. The intention is to cut price supports and to cut back the price level of farm products and the income level of the farmer. It is as simple as that.

The administration proposes simultaneously to curtail production and to lower prices, catching the farmer between both jaws of this pincer.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. AIKEN. Would the Senator advise the Senate what he thinks the administration hopes to gain by impoverishing the farmer after the long years of agrarian struggle described in the majority report, which brought him to the peak of prosperity? What does the administration hope to gain?

Mr. LEHMAN. If the Senator will wait, I will explain what the object of the administration is.

Mr. AIKEN. Will the Senator tell us what the administration hopes to gain by impoverishing the 3 million farmers about whom we hear so frequently?

Mr. LEHMAN. I will explain that in a moment.

Mr. AIKEN. Very well.

Mr. LEHMAN. I am convinced, Mr. President, that what this administration seeks to do is to force out of business the small farmer, the so-called marginal farmer, and to leave agriculture in the hands of the big, the corporate, producer. This pattern is one with the administration's general policy in the field of business. This is the pattern of monopoly-minded men.

I have been talking about the farmer. What about the consumer? Will the consumer benefit from this proposed attack upon farm income and upon the farmers? And the taxpayers? Will the flexible price support system cut down surpluses? Will it reduce Government purchases of those surpluses?

As for the consumer, I have already indicated a major part of the answer. I do not think that any measure which depresses the income of one sector of the economy is to the advantage of the other.

As far as actual savings to the consumer are concerned, the proposed cuts in support prices will be almost inconsequential. A \$4 cotton shirt has only 30 cents worth of cotton in it. A 10-percent cut in the support price for cotton would have no significant reflection in the price the consumer must pay for a cotton shirt.

The wheat farmer gets 2½ cents for the wheat that goes into a 22-cent loaf of bread. A cut of 10 percent in the support price for wheat would carry with it no significant reduction in the price of bread.

The same is true of the proposed cuts in the support prices for corn, rice, and the other so-called basic commodities. I will get to butter in a moment.

But in each of the above cases, while the benefit to the consumer is minimal, the adverse effect on the farmer's income is not only significant, but of major proportions. Already in the past 2

years, as a result of the administration's farm policies, even under the fixed-support-price law, the farmer's income has dropped nearly 20 percent, but the retail price of food products has dropped only 1 percent.

That has been corrected by the distinguished Senator from Mississippi [Mr. EASTLAND] who says that actually it has increased by 1 percent.

The farmer is already being squeezed, without benefit to the consumer. The administration now proposes to tighten that squeeze.

The chief beneficiaries of that squeeze would be the processors and distributors of food, who always manage to get more than their share of the consumer food dollar. In the past several years the farmer's share of the food dollar has dropped from 61 percent to 45 percent. The effect of the proposed cuts in price supports would be not only to decrease the total farm income but to drive lower the farmer's percentage of the food dollar.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LEHMAN. I am glad to yield.

Mr. AIKEN. Will the Senator be good enough to give again the dates when the farmer's percentage of the consumer's dollar dropped from 65 percent to 44 percent?

Mr. LEHMAN. I said from 61 to 45 percent.

Mr. AIKEN. Sixty-one percent?

Mr. LEHMAN. I think I was quoting from the report of the majority of the Committee on Agriculture and Forestry.

Mr. AIKEN. In what year was it 61 percent? Does the Senator recall?

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LEHMAN. I have not that information before me, but it was within a few years past.

Mr. YOUNG. That table was obtained from the Department of Agriculture.

Mr. LEHMAN. I was quoting, of course, from the majority report.

Mr. AIKEN. Does not the table show that the drop in the farmer's share of the consumer's dollar took place almost wholly before the Eisenhower administration came into office?

Mr. LEHMAN. I do not care about that.

Mr. AIKEN. I do.

Mr. LEHMAN. I am talking about the plight of the farmer. I am talking about what we are going to do today. I am not blaming anyone. I am not defending anyone. I am criticizing the substitute amendment which has been proposed by the distinguished Senator from Vermont. I believe in, and I am supporting, a rigid control of prices at 90 percent of parity for the basic commodities, and 85 percent support prices for dairy products. I do not think that the question of during what administration the decline started, or who is responsible for it, has anything to do with the question. We are legislating now for the immediate future, for next year, and that is the important question.

Mr. AIKEN. Does not the Senator from New York agree that because the

drop in the farmer's share of the consumer's dollar from 61 percent to 44 percent took place while the 90-percent rigid supports were in effect, it is time we began to look around for something else, instead of watching the farmer's share of the consumer's dollar drop lower and lower, until we will not know where it will end?

Mr. EASTLAND. Mr. President, is the solution to that problem a still further lowering of the farmer's price?

Mr. AIKEN. The solution is doing something other than what we have been doing.

Mr. EASTLAND. The distinguished Senator from Vermont does not seriously say that we would assist in the solution of the problem by pushing the farmer farther down the hill, does he?

Mr. AIKEN. Oh, no. As the Senator from Florida pointed out this morning, under flexible price supports, whenever the flexible price supports have had a chance to operate, farm prices have risen, not fallen.

Mr. EASTLAND. I can give the distinguished Senator from Vermont an illustration. In 1950 we had a tremendous cotton surplus. It ran to 6,750,000 bales. When the Korean war started there was a short crop throughout the world. Whereas previous to the war the price of cotton had been 32 cents a pound, the world market price rose to 90 cents a pound, and in this country we had to impose export controls. If we retain a price that will bring about production and also provide an adequate surplus, every segment in this country will benefit from it. The doctrine of scarcity, which the distinguished Senator from Vermont is discussing, which causes prices to jump up, as the price of cotton did, from 32 cents to 90 cents a pound—

Mr. AIKEN. What did the Senator from Vermont have to do with that?

Mr. EASTLAND. It did great damage to the entire economy of the country. It caused us to have the highest textile prices in the history of the world.

Mr. AIKEN. Everyone knows that rigid prices guaranteed by the Government were bailed out by bloody war. It was war that bailed out those prices.

Mr. EASTLAND. It was not war; it was a short world crop.

Mr. AIKEN. Short of the world's needs, when half the world went to war.

Mr. EASTLAND. Our consumption of cotton during the Korean war was lower than it had been during the years of the cold war.

Mr. AIKEN. The lives of 230,000 men are not a fair and reasonable price to pay for a higher price for cotton.

Mr. EASTLAND. The Senator from Vermont is making a very unfair statement.

Mr. AIKEN. It was war that bailed out that situation.

Mr. EASTLAND. The Senator is making a very inaccurate statement. It is a statement which is not in accord with the facts. The consumption of cotton was not increased by the Korean war. The fact is that Korea had nothing to do with the imposition of the export controls.



Mr. AIKEN. Then why were price ceilings imposed?

Mr. EASTLAND. It was a short crop.

Mr. AIKEN. Why did the administration put price ceilings on everything? Price ceilings were not placed only on cotton; they were put on dairy products, and everything else.

Mr. EASTLAND. The Senator from Vermont is talking about something that is entirely outside the issue. I said nothing about price controls. I was speaking about export controls.

Mr. AIKEN. The Senator from Mississippi is not likely to discuss price controls. However, price supports inevitably go with that situation. If we were to have 100 percent price supports, as certain organizations advocate, we would have to have all sorts of controls.

Mr. EASTLAND. That is something that is not at issue here.

Mr. AIKEN. No; but what we do here will determine the direction we take.

Mr. EASTLAND. The issue is not 100 percent. The issue is whether we will have price supports at 90 percent, or flexible supports between 80 percent and 90 percent. At least, that is as I understand the issue.

Mr. AIKEN. The issue here finally is whether the farmers and our other citizens will run their Government, or whether they will become completely subservient to the Government. That is the real issue here.

Mr. EASTLAND. I believe that is true, and I believe a solution to it is a fair and reasonable income for the farmer. A 90 percent support price will give him that.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. YOUNG. Would not the Senator from New York agree that the so-called sound-economy philosophy which prevailed in the late twenties and early thirties brought on the worst depression in the history of the country? Is it not also true that exactly the same philosophy is being advocated today as was advocated then?

Mr. LEHMAN. That is certainly true; we had the worst depression in the history of our country from 1929 on.

Mr. EASTLAND. Is it not a fact that since 1941 we have had a 90 percent support price on corn, and it looks as though we will wind up with a short supply, despite new methods of farming and new developments along the line of hybrid corn, and so on?

Mr. LEHMAN. I fully agree with the Senator from North Dakota [Mr. Young]. I should like to say something about shortages. We have been hearing a great deal about the horrors of surpluses. We have heard nothing in the debate about the horrors of shortages. I know what they are. I know about the shortages that developed during the war and were in existence for some years thereafter. As some of my friends may remember, I was in charge of all the foreign relief operations, on an international basis. I know that in those years, even after the end of the war, and in spite of the fact that we had made every possible plea to the farmers to increase production, there was such a great

shortage that we could not find the supply of food necessary with which to feed our own people and to help feed the starving millions of people abroad.

Conditions became so serious that after I had retired from UNRRA President Truman asked former President Hoover to go abroad to survey the situation. On former President Hoover's return from Europe, a great effort was made to conserve the already greatly inadequate and greatly diminished stocks of wheat and corn and other commodities which could be used in the feeding of people abroad, to whose salvation we were pledged.

That was a shortage. I know about it. I lived through it. My heart bled on account of it. We may have a surplus now, but God forbid that conditions will ever change to the extent that it will be depleted or wiped out. But there is always that possibility. At this time, as the distinguished Senator from North Dakota has pointed out, the drought and the heat undoubtedly have greatly injured the crop and have greatly diminished the probability of even a reasonable return to the farmer.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. EASTLAND. Does not the distinguished Senator from New York believe that because of the international situation, and because of the cold war, we need larger carryovers?

Mr. LEHMAN. There is no question about it.

Mr. EASTLAND. We need larger carryovers then we do under normal conditions; is that correct?

Mr. LEHMAN. There is no question about it, because we are always living in jeopardy.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. YOUNG. Is it not true that 2 years ago, when we were at war in Korea, we asked our farmers to increase their corn production by 115 percent over the previous year; cotton, 105 percent; wheat, 118 percent. Nevertheless, is it also true that as of July 1952 we had a carryover of wheat of only 256 million bushels?

Mr. LEHMAN. That is absolutely correct. I believe that was as recent as 1952.

Mr. YOUNG. Was it not as much a necessity to build up production and have adequate supplies of food and fiber in time of war as it was to build tanks and planes and other war matériel?

Mr. LEHMAN. There is no question about that.

Mr. YOUNG. No one is complaining about the cost of the planes and the tanks. The Federal Government is bearing all the cost. The farmers of America are being blamed unfairly because they produced the wheat, corn, and cotton that the Government urged them to produce.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LEHMAN. I am glad to yield.

Mr. AIKEN. Does not the Senator think that the removal of acreage crop

controls without any delay would be very desirable?

Mr. LEHMAN. To the Senator addressing his remarks to me?

Mr. AIKEN. Yes.

Mr. LEHMAN. I think that has already been done. As I recall, the acreage of wheat has been reduced.

Mr. AIKEN. I said "removed." In view of the Senator's fears of a world shortage of food, does he not think it would be desirable to remove acreage controls and let the American farmer produce all he can so we can partially rid ourselves of the fear of famine which seems to be bothering the Senator?

Mr. LEHMAN. I do not understand the question of the distinguished Senator from Vermont.

Mr. AIKEN. The Senator said he is worried about the shortage of food.

Mr. LEHMAN. I said I was not terrified for a moment by the prospect of maintaining a very substantial inventory of food. I know that a little fun was poked at my colleague from Minnesota [Mr. HUMPHREY] because he described the surplus as an "inventory." I think that is a very good description. We have an inventory of corn which certainly is not too large, and we have a very substantial inventory of wheat. We have an unusually large inventory of dairy products. I believe that the surplus of dairy products could be very greatly reduced if we adopted a far more humane, more farsighted policy of providing milk for a greater number of people. I consider milk the greatest single and most economical element of food. I believe the Senator from Vermont will agree with me.

Mr. AIKEN. Yes; I do.

Mr. LEHMAN. I think we could very greatly reduce our surplus and bring increased welfare and health to a very large number of people.

Mr. AIKEN. I hope the Senator from New York will be with the minority of the committee when we consider the dairy amendment to this bill, because while the majority advocates the purchase of up to \$50 million worth of milk annually for the school-lunch program for a 2-year period, the amendment which the minority proposes would remove the limitation, both as to the amount and the time, and permit the Commodity Credit Corporation to make unlimited purchases to be distributed to school-lunch institutions and welfare departments, without any termination date. To that extent, I think our amendment is better than that of the majority.

Mr. HUMPHREY. Mr. President, will the Senator yield at this point?

Mr. LEHMAN. I am glad to yield.

Mr. HUMPHREY. This is a very interesting proposal, and it is amazing that it did not come out in committee, but was stated only a moment ago in a question to the Senator from New York by the chairman of the committee. I recall that in the Committee on Agriculture and Forestry we were dubious as to whether we were even going to accept the House language, which provided for 2 years. Why did not the Senator from Vermont advance this proposal in the

committee? He was the chairman. He would have received support.

Mr. AIKEN. Because the chairman had the courtesy to let the Senator from Minnesota—I forget which Senator from Minnesota—draft the proposal. The chairman voted against the dairy amendment, as the Senator may recall, and was on the losing side by a vote of 8 to 7. Thereafter, any motion made by the chairman would not have been in order.

Mr. HUMPHREY. The amendment on the dairy question was strictly on the price-support level.

Mr. AIKEN. Oh, no.

Mr. HUMPHREY. The amendment as to the disposal or use of dairy products was an entirely different matter. I agree with the proposal of the Senator from Vermont, but I am rather surprised that we did not hear about it in committee.

Mr. AIKEN. Because, if the Senator will recall, the chairman of the committee did not feel it his place to make motions and offer amendments. Other members of the committee did so, and I thought it was the proper thing to let them do it.

Mr. HUMPHREY. Does the Senator not have cosponsors of his proposals in the committee?

Mr. AIKEN. I have never asked a member of the committee to promote something for me in the committee.

Mr. HUMPHREY. But does not the Senator have cosponsors on the amendment to which he referred?

Mr. AIKEN. Yes; 6 or 7.

Mr. HUMPHREY. Are not some of those sponsors members of the Committee on Agriculture?

Mr. AIKEN. They are.

Mr. HUMPHREY. Why could not they have advanced it in the committee? I know why. Because this is tied in, may I say to the Senator from New York, with the reduction in the price-support level. We shall support the Senator from Vermont. We shall be glad to accept that section of his bill which expands the use of milk for school lunches and public purposes. We shall include that with the 85 percent. It is a good idea.

Mr. LEHMAN. As for decreasing the surpluses and cutting down on Government purchases of those surpluses, the flexible price-support system will do nothing of the kind. Under the flexible price-support plan, the Government will still be required to buy surplus production and, according to the simple facts of agricultural experience, a decrease in price will not decrease production and will not necessarily reduce the surplus.

Experience has shown that, in respect to some commodities at least, variations in price have no effect on either production or consumption. The per-capita consumption of wheat, I am told, has remained practically constant over the past 50 years despite wide variations in price. Production of wheat has failed to follow any price pattern. There have been periods of sharply falling prices when the amount of acreage sowed to wheat has actually increased. This hap-

pened during the twenties and again during the early thirties.

Under today's conditions there is every evidence that the proposed cuts in support prices will not result in a decrease in the volume of Government purchases. In some commodities there might actually be an increase. There would, of course, be some saving to the Government in the decreased amount paid out in support prices, but that saving would be far, far less than the loss of income to the farmer. And, as I have already indicated, the saving to the consumer would be insignificant. The effect on the national economy, in terms of unemployment and gross national income, would be very significant indeed.

I turn now to the dairy industry, with which I have a somewhat closer and more intimate acquaintance than I do with the other aspects of our agricultural economy. What has been the effect of the 15 percent reduction in the support price for dairy products which Secretary Benson instituted on April 1? There has been a drop of a few cents per pound in the price of butter. There has been no decrease whatsoever in the retail price of milk. But the total income of the dairy farmer in New York State has dropped 16 percent. That is gross income. The decrease in net income has been much greater.

Meanwhile, total milk production has actually increased. A couple of months ago milk production in the Nation was at the rate of 131 billion pounds a year, compared with the 1952 production of 115 billion pounds, and the 1953 production of 120 billion pounds.

There was a slight increase in the volume of butter consumption but this increase did not by any means compensate for the total increase in milk production. The volume of butter and other dairy products being purchased by the Government under 75 percent parity price support is at about the same levels as it was prior to the April 1 cut in parity price.

Farmers facing a loss of income due to lower prices have been forced to boost their production in order to meet their fixed overhead. This is axiomatic. It is inevitable that it will always occur in the production foodstuffs.

Meanwhile, what has been the effect of the cut in the dairy support price on the retail price of milk? None whatsoever. The retail price of milk remains the same. The dairy farmers are receiving 16 percent less for their total milk output, but the consumer is paying the same for milk.

I might parenthetically mention a report which I saw in the newspapers this morning, Friday, August 6, containing excerpts from a report of the National Dairy Products Corp. This is a very large, well-operated concern. I have no criticism of it. I have certainly no opposition to a concern merely because of its size.

I should like the attention, if I may have it, of my colleague, the distinguished Senator from Vermont. I was quoting from a report of the National Dairy Products Corp. I have no criticism of the concern. I know it is a very well-conducted company.

Mr. AIKEN. Does the Senator refer to the National Dairies?

Mr. LEHMAN. The National Dairy Products Corp.

Mr. AIKEN. I know what the Senator is about to say, and I think I shall agree with him before he says it.

Mr. LEHMAN. I have no doubt the Senator will agree.

Mr. AIKEN. I wish there were some way in which that situation could be handled. The big companies simply run wild with their profits in years of big surpluses. That is the best argument in the world for selling fluid milk; but it will be found that the big companies will be against the expansion of the use of fluid milk as long as possible, because they make their money on surplus milk.

Mr. LEHMAN. I thank the Senator from Vermont for his remarks, because I know how fair he always has been in his statements.

Mr. AIKEN. If the Senator from New York will permit me to say something further, I am certain he will agree with me that the same condition of excessive profits applies to almost every well-managed dairy distributor and dairy company in the country. In the year 1953, and in the first half of 1952, when there were heavy surpluses, those companies really made exorbitant profits.

I do not know how that condition can be handled by law. If Congress undertook to control their profits, a great many of the smaller companies would be put out of business. The only way to control the situation is to induce people to drink more milk.

Mr. LEHMAN. I doubt whether the condition can be controlled by law.

Mr. AIKEN. I do not think it can be.

Mr. LEHMAN. Neither do I think it would be wise to attempt to do so.

I am merely giving the figures to support the statement, which I have made on a number of occasions in the course of my remarks, that those who have gained by the decline in price have not been the consumers. Quite the opposite. It has been the distributors and the processors. I think the Senator from Vermont will agree with me that this is a very dramatic and conclusive support and demonstration of that fact.

The National Dairy Products Corp., in addition to raising its dividends, showed that its earnings for the first 6 months of 1954 were \$18,960,490, as compared with profits in the corresponding 6 months of 1953 of \$15,882,833.

In other words, while the dairy farmer was suffering a loss of 16 percent in his gross income, his net income was reduced even more than that, in all probability. Yet what is probably the greatest processor and distributor of dairy products in the world showed increased earnings of about 20 percent.

Mr. AIKEN. I might add that many dairy companies and creameries which have been making excess profits for the past 2 years have been able to do so because they have paid the producers the average market price for milk. They themselves have collected the full 90-percent support prices for butter, cheese, and milk powder, but have returned to the producer—in some cases last year—as little as 75 percent. The other 15



percent must have gone into the pockets of the efficient companies.

Members of the committee have discussed that condition. We should like to find a way to prevent its happening. Yet if the processors are required to certify that they have paid the full support level to the producers, a great many of the small cooperatives and small manufacturing plants, which are performing useful service in their communities, will be put out of business, because they cannot do it. They are in too thin a territory, and perhaps it is the only market they have.

I wish someone would find a way, when the Federal Government guarantees the farmers a support price for dairy products or any other commodities, to make certain that the farmer gets the money. It does not seem to me that it would work too well to go to each individual farmer. It would be necessary to have an army of Government employees to pay each farmer what was due him.

Yet I cannot go along with the proposal of making payments to processors, as some have proposed. The House bill provides for payments to processors, but I fear that a large percentage of the processors never would hand the money back to the farmers—some because they could not; some because they desired to make exorbitant profits.

Mr. LEHMAN. I am not a member of the Senator's committee, so I cannot express any opinion as to the practicability of the plan suggested by the Senator from Vermont. I only wish there could be some assurance that the farmer would receive his money, as the Senator from Vermont has suggested.

Mr. AIKEN. I should like to say to the Senator from New York, and also to the Senator from Minnesota [Mr. HUMPHREY], whom I like very much, in spite of boiling up at him sometimes, that while I am glad that we agree on some dairy problems, I disagree with the statement that the idea of raising the support level, particularly at this time of year when the price of milk naturally rises, is the answer to our problem.

I feel that since more milk is being marketed and the number of cows in the milking herds is being reduced real progress is being made toward bringing supply into line with consumption. When supply and demand are somewhere nearly in line, it will not be so easy for the dairy companies to make unwarranted profits.

Mr. LEHMAN. The dairy industry in New York and in most other parts of the country enjoys, for fluid milk, a stabilized price structure. That price structure is based on the milk marketing orders, and in New York specifically on a Federal-State accord.

I feel that if this administration is allowed to move forward with its plan of returning farm production to the free play of the market, the next object of attack will be the milk marketing orders. Then the last dike that protects the dairy industry of this country will be breached and broken.

It is a very unusual experience for me, in a discussion of milk problems and dairy problems, to be on the opposite side from my highly respected and beloved

colleague, the distinguished senior Senator from Vermont. I believe it is a fair statement that he, as Governor of Vermont, and I, as Governor of New York, did more to bring about stability in the milk industry during the middle years of the 1930's, and to bring into effect milk marketing orders, than anyone else. I shall always look back with great appreciation to my association with Governor AIKEN, of Vermont.

Mr. AIKEN. The distinguished Senator was Governor of New York at the time, and we worked for a common purpose, with the best of cooperation, during the years when the dairy industry was literally threatened with extinction in our part of the country.

Having worked with the Governor, as I have called him all my life, it has distressed me somewhat to find that we have different viewpoints at this time.

Mr. LEHMAN. But they are sincere differences.

Mr. AIKEN. I shall always appreciate the help which the Governor of New York, as I shall always think of him, gave me during the years of cooperation between our two States and our administrations.

I even remember going with the Governor of New York to a White House dinner, when neither of us was certain that we might not be thrown out. That was in the days of the court-packing effort, as the Governor probably will remember.

Mr. LEHMAN. I thank the Senator for his comments, and I assure him that his sentiments toward me are very sincerely reciprocated.

It should be borne in mind that the dairy industry comprises the largest single segment of our agricultural economy. Dairy income is about one-eighth of total farm income. Dairy income is greater than wheat and corn income together.

When I said the dairy industry comprised the largest single segment of our agricultural economy, I was, of course, not referring alone to the industry in New York State, but in the entire Nation.

Yet we have heard a great outcry during the past 2 years against the Government purchases of surplus butter and other dairy products. The Government's investment in surplus dairy products over the past 2 years has been only 4 percent of total dairy income, about \$425 million, compared to \$12 billion of dairy income. The Government's investments in surplus wheat and surplus corn have been many times as great.

Yet, to put the problem in perspective, over the past 20 years during which price supports have been in effect, the Government's loss on the purchase of surplus products has averaged only a few million dollars a year. But the dairy industry has recently been made the whipping boy for the entire price support system.

The basic problem, of course, is the problem of surplus. There is a current problem of overproduction. Ways and means must indeed be found to handle these surpluses. There must be a way to minimize the large Government outlays of the past 2 years. But the administration's proposal does not solve that

problem. It intensifies it. It is not the answer to the present situation. It is a prescription for disaster.

Mr. President, I do not think that the pending bill is a fundamental answer to the farm problem. There must surely be a sounder way of handling our surpluses, and yet of assuring a high level of income and a stable price structure for our farmers. The present price-support system is an awkward way. It can also be a costly way.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BEALL in the chair). Does the Senator from New York yield to the Senator from Minnesota?

Mr. LEHMAN. I yield to my distinguished colleague.

Mr. HUMPHREY. The first thing I wish to say to the Senator from New York is that, speaking as a sort of neutral in the discussion between the distinguished Senator from Vermont and the Senator from New York, I think the Record ought to be crystal clear that both these distinguished public servants have done wonderful work for the people in their respective States, and for the Nation. We are in a little disagreement as to how we should approach the problem. Rather than enter into a series of bitter arguments about the question, I think it would be better if we discussed it.

I should like to ask the Senator from New York a series of questions with reference to the dairy industry. We had 90-cent price supports on dairy products in 1952, did we not?

Mr. LEHMAN. I believe so.

Mr. HUMPHREY. And we had 90-percent price supports in 1953, did we not?

Mr. LEHMAN. Yes.

Mr. HUMPHREY. Does the Senator recall that there were no major surpluses of dairy products in 1952?

Mr. LEHMAN. I do not think there were any in that year.

Mr. HUMPHREY. There was somewhat of an inventory, but not what one would consider beyond the needs of the public. In 1953 the production in excess of demand grew rather rapidly, did it not?

Mr. LEHMAN. Yes; it did.

Mr. HUMPHREY. I ask the Senator if it is not fair to say that the main reasons for that growth of supply in excess of demand were as follows: The first reason was unusually good weather and pasture for two winters, springs, falls, and summers. Is that not true?

Mr. LEHMAN. That is quite true. That was one of the causes.

Mr. HUMPHREY. There was much better pasture at that time than there has been this year, was there not?

Mr. LEHMAN. The pasture was much better. We have had very poor pasture this year.

Mr. HUMPHREY. I think the record will reveal that we experienced 2 of the best years for the normal grazing of milk cows that dairy farmers ever had in the past 20 years. The best pasture years were experienced in the latter part of 1952, in 1953, and in the early part of 1954.

The next point I should like to make is that in 1953 the price of beef cattle went on the downspin almost to the bottom of the economic scale. Is that not true? Did not beef cattle prices literally collapse?

Mr. LEHMAN. Prices went down very sharply, of course.

Mr. HUMPHREY. More than \$7 billion in 1 year was lost because of the collapse in cattle prices. Is that not also true?

Mr. LEHMAN. There was a very sharp decline in prices, of course, all over the country.

Mr. HUMPHREY. Is it not very possible that one of the reasons farmers did not cull their herds was that they could not get enough for them to make it worth while to haul them to market?

Mr. LEHMAN. I think there is no doubt about that.

Mr. HUMPHREY. Is it not true that when there are added together the factors of unusually good weather and pasture, and the inability to cull cows and make enough from the culling process to make it worth while hauling the cows to market, those factors tend to step up production?

Mr. LEHMAN. It is inevitable that increased production should occur. I should like to add one reason to those which have already been advanced by the distinguished Senator from Minnesota. We must not forget that all of us were interested in the successful conduct of the Korean war and the provision of sufficient food stocks for any contingency. We pleaded with the dairy farmers, as we did with other agricultural segments, to increase production so that there would be an abundance of supplies, rather than a disastrous shortage.

As my colleague, the Senator from Minnesota, so well knows, the dairy industry is quite different from other industries. Production cannot be turned on and off overnight; it requires time. If cows are giving milk or if they have been bred they continue to produce. The supply cannot be cut off 5, 10, 15, or 20 percent overnight. It takes time to do that. It takes very careful management. Because of the Korean war dairy farmers, not only in New York State, but all over the country, as well as other farmers all over the country, increased production.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. LEHMAN. I yield to the Senator from Minnesota.

Mr. HUMPHREY. We also lost a good deal of our foreign markets during that period of time, did we not?

Mr. LEHMAN. We did.

Mr. HUMPHREY. Is it not possible that, if we consider the nature of the dairy industry, and the fact that there are heavy investments in equipment, blooded herds, facilities, land, and pastures involved, and if we exercise a reasonable amount of patience and do not lose our heads and make quick, unfortunate decisions, we will be able to ride out the so-called storm that is upon the economic horizon, characterized by surpluses, and get the production into reasonable balance?

Mr. LEHMAN. I think there is no question at all about that, if we do not subject the dairy farmers to a body blow from which they cannot possibly recover. I should like to read a short paragraph from the majority report under the heading "Need for Dairy Supports":

3. To prevent drastic fluctuations in support levels that fail to consider the fact that production of adequate future supplies of dairy products depend upon long-range planning of herd development and cannot be adjusted in the space of a few months without resulting in economic disaster to the dairy farmer or unloading of dairy cattle on the market with resultant dislocation of the beef cattle market.

That, I think, is very important.

Mr. HUMPHREY. I thank the Senator. If this Government would use a little imagination we would not be bothered with the problem of surpluses.

I make the charge in the presence of my colleagues that the Secretary of Agriculture and many of his cohorts have tried to dramatize and overexaggerate the dairy problem in order to stigmatize the whole price-support program. As the junior Senator from Minnesota said yesterday, they are trying to "potatoize," or use the potato system upon the dairy program. It is time we called a halt to that kind of nefarious activity, because dairying is the backbone of cash income for millions of people in this country. It is vital to soil conservation. It is vital to a normal, healthful diet.

If we constantly pursue a program of cutting income and driving people out of the dairying program we shall find ourselves in a most unfortunate situation.

I thank the Senator for taking the stand he has taken, calling for patience and forbearance, and calling upon those in Government today to do something instead of complaining. Why do they not sell this butter to the Army? Why do they not sell more of it overseas? They can do it. They are proving they can do it by some of the sales they have made in recent months.

Mr. LEHMAN. Mr. President, I will not approve legislation which would solve the farm problem by impoverishing the average farmer and plowing under the small family-sized farm in this country.

I propose to go along with the fixed 90 percent parity price-support program for basic commodities and the 85 percent fixed parity support for dairy products. I hope the time will soon arrive when we will have a farm program more fundamentally directed to the problems we seek to solve. I hope that the next Congress will come up with such a solution.

But, in the meantime, I shall vote against the Aiken amendment.

Mr. EASTLAND. Mr. President—  
The PRESIDING OFFICER. The Senator from Mississippi.

Mr. EASTLAND. Mr. President, it is the judgment of the Senator from Mississippi that the great prosperity of the United States since World War II has been due primarily to the 90 percent support price system and the maintenance of the purchasing power of American agriculture.

I have listened to this debate, and the only argument which has impressed me is that sometimes the 90 percent support prices will hold the price of farm commodities at uneconomic levels, and will cost us exports in the world markets or cause the use of substitutes in the United States.

Mr. President, I know of no substitute in this country which has cut down appreciably upon any American farm production. There have been instances in which the 90 percent support prices have maintained an American price which was noncompetitive with the same product when produced abroad. But I do not think that that argument should cause the destruction of the entire farm support-price program. We must meet that competition, of course. American farm production must be competitive in the markets of the world.

I think we should use the system which all other countries use. Most of the farm products in the world today, or most of the basic commodities are produced under a support-price system. But when our product is not competitive, when the 90 percent support price holds the product in international trade at fictitious or uneconomic values, I think we must subsidize the export of American farm products, as has been successfully done in the case of wheat.

The great Northwest, from which most of the wheat products are exported, has had a prosperity which has been maintained by the export subsidy system. I think the Department of Agriculture should have used that system in the case of other farm commodities.

A few years ago Brazil, under uneconomic support prices, had acquired two whole cotton crops. The National Bank of Brazil subsidized the export of Brazilian cotton into world markets at about 2 cents a pound under the selling price of the American product, and took from the farmers, who are cotton growers in the United States 50 percent of their export market. When that surplus was worked off, the result was that today the cotton prices in the United States are the cheapest prices in the world. Had we met that Brazilian competition, the American farmer would not have been faced with the grave acreage controls he faces today.

Mr. President, there is another side of this question which I desire to discuss for a few minutes. We are in a cold war, and because of conditions abroad it is absolutely essential that the United States retain stockpiles of basic farm commodities much greater than we would retain in normal times. If we were subject to air attack we would lose three cities or two cities where a great amount of farm machinery production is concentrated. This country would go hungry before we could rebuild agricultural production. I am absolutely confident that it is very essential to retain a great surplus of food and fiber, because of the international situation.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield for a question.

Mr. MAYBANK. The distinguished Senator from Mississippi is making a



great speech. Very few men know more about agriculture than does the Senator from Mississippi. When the Senator says the surplus of food and fiber should be so great, he is no doubt correct, because the distinguished Senator from Mississippi had a great part to play in removing the last surplus of fiber from this country, sending it to Japan and other nations which so badly needed it. It was on that surplus, which the Senator so ably assisted in moving out through the State Department and the Justice Department, that the Federal Government made a great deal of money. I congratulate the Senator from Mississippi on his statement.

Mr. EASTLAND. I thank my distinguished friend from South Carolina. But, to illustrate the point that we need a much larger surplus than normal, we have the knowledge of what happened in the year 1950.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield for a question.

Mr. MAYBANK. Is it not a fact that in the year 1950 there were no American products available to European countries?

Mr. EASTLAND. That is correct.

Mr. MAYBANK. We had to put embargoes on cotton.

Mr. EASTLAND. That is correct.

Mr. MAYBANK. And other items.

Mr. EASTLAND. That is exactly the point, Mr. President.

Early in 1950, we had a carryover of American cotton of 6,750,000 bales, which was a larger carryover than we would carry under normal conditions. But before that year was out, there had been short production throughout the world, there was a world price of 90 cents a pound, price ceilings were established in this country at 45 cents a pound, and we had to put on export embargoes.

That price of 90 cents a pound for world cotton production has been a disaster to the cotton producers of the United States, because it put foreign countries in competition with us.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. MAYBANK. It was a disaster to the consumers of the United States, because we had to put ceilings on the price of dresses that poor workers had to buy. It was a great disaster to the consumers temporarily, more so than it was to the farmers.

Mr. EASTLAND. Certainly. It caused the highest-priced textiles in this country in the history of the world.

I remember the promises which the present President of the United States made to the American people during the campaign. A few years ago there sat in this Chamber a Senator who had distinguished himself among his constituents for his eloquent espousal of a certain cause but who, when the time came to vote on the issue, voted against it. An outraged constituent drew the Senator's attention to his inconsistency. "Ah, my friend," said the Senator, "I see that you do not understand the art of politics."

It appears that the "art of politics" consists in making one part of the elec-

torate happy by one's promises and the other part happy by one's votes. The Senator about whom I speak is no longer in this body. His constituents caught on to his art of politics and retired him.

Even the smallest State in the Union has nearly 3,000 farms, and I suppose there is no Senator who has not promised a square deal to the farmers of his State. I am not implying that Senators who espouse flexible price supports which, in the long run, will mean price supports of 75 to 80 percent of parity instead of 90 percent as they are today, are insincere in their posing as champions of farmers. I know they are sincere. But in my opinion they have sold themselves a bill of goods. They have rationalized a fondness for the law of supply and demand in a realm where the so-called laissez-faire capitalism can and will do great harm not only to our farmers, but to our entire economy.

If Congress were so shortsighted as to pass a flexible price support law, dress up the theory of it as we may, many Senators who have thumped their breasts for the farmers would look very inconsistent to their rural constituents when crop prices drop 10 percentage points. Farmers are a little like elephants. They have long memories.

My guess is that some of the sponsors of flexible price supports will rationalize themselves right out of this body. I know they are sincere, but they will look dangerously inconsistent.

In all seriousness, and with full respect to those who differ, I ask that Senators take a final look at what I am convinced are several fundamental fallacies in the theory of flexible price supports.

It is often said that this Nation narrowly escaped socialism. It is often said that a working majority of southern Democrats and Republicans saved American institutions.

Today there is a strong tide of reaction against statism of every sort; essentially it is a desirable reaction. But let us not permit the pendulum to swing too far. Let us not forget that 22 years ago what passed for pure laissez-faire capitalism gave us 5-cent cotton and corn in the category of fuel.

Actually, of course, it was not pure capitalism at all, because the farmers of 1932 had to buy in a tariff-protected market and sell in an unprotected market.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. JOHNSTON of South Carolina. Was it not true at that time that the field was fertile for speculators, and they took charge and brought cotton to a very low price?

Mr. EASTLAND. What the Senator says is true. Before we had high support prices gamblers on the New York and New Orleans Cotton Exchanges could manipulate the market, and in a week's time put the price of cotton down 10 cents a pound.

They could take from a farmer the fruits of his year's labor; they could put a mortgage on his farm; they could close banks; they could break the merchants. The 90-percent support prices have

cushioned the blow. They have made it impossible for speculators to rob the farmers.

When we lower support prices we are leaving a margin for the pendulum to swing back and forth and we make it much easier for speculators to manipulate the cotton market. That also holds true for wheat and other commodities.

Mr. JOHNSTON of South Carolina. Is it not also true that when we have a flexible pattern, those who are speculating will also enter the picture in some way or other, find out what is going to happen, and decide whether to push the price down or up? They will be the ones who will be on the market speculating and making money; is that not true?

Mr. EASTLAND. That is certainly true. Until we had support prices, the farmers had no money in any part of the country. The farmers were doing business strictly on credit. That was sound Republican policy. All the money was in the New York banking institutions, and in the hands of market manipulators in New York City.

The Democratic Party's 90-percent support-price system has spread wealth among all the people of this country, and it has built the greatest era of prosperity in the history of the country.

The distinguished Senator from South Carolina knows that after every great war, except World War II, there has been a serious economic depression. The thing which prevented a serious economic depression after World War II was the farm support price system which the Republican Party is now attempting, by degrees, to do away with. Does the Senator from South Carolina agree?

Mr. JOHNSTON of South Carolina. I entirely agree with that statement. If we establish flexible controls at this time, even though it is long after the war, I warn the people of the United States that we are in danger of another recession, and then a depression.

Mr. EASTLAND. All that has been done for the farmer in the last 21 years has been merely in compensation for the fundamental fact that he was buying in a tariff-protected market and selling in an unprotected market at world-price levels.

It should stand out as a beacon light of truth that the farmers of this country are entitled to 100 percent of parity with American industry. To drop farm income from 90 percent of parity to 75 percent or 80 percent would certainly be a confession of abject failure on the part of Congress.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. MAYBANK. The Senator suggests that a tariff is quite an important item to the farmer. The farmer buys his farm machinery and many other things in a tariff protected market. Beyond that, in recent years, Congress has gone into subsidizing the mailing of newspapers, and so forth, and has indirectly subsidized railroads for carrying the mail, subsidizing the merchant marine, and all other businesses. I know of none that has not been subsidized by indirect means. Does the Senator know of any

that has not been subsidized by induction?

Mr. EASTLAND. That is correct.

Mr. MAYBANK. And the Government has helped business firms through accelerated amortization. I wish everyone were helped through amortization. I am not complaining. However, the farmer is not helped by accelerated amortization.

Mr. EASTLAND. A tariff is the greatest subsidy in history.

Mr. MAYBANK. I am speaking about other subsidies than the tariff.

Mr. EASTLAND. A 90-percent support price system does not compensate the farmer for what he loses in buying in a domestic protected market, in which the price is higher than the world price. That is true because the base period of 1909 to 1940, on which parity is computed, was a period of tariff protection in this country.

Mr. MAYBANK. Of course, the Government could do away with the tariff.

Mr. EASTLAND. That is correct. When the support price is so high that it stops the export of farm products, the Government should subsidize such exports.

Mr. MAYBANK. Has it ever done that?

Mr. EASTLAND. In the case of cotton, we would have to subsidize the exports of the mills.

Mr. MAYBANK. Has the Government ever subsidized exports to that extent?

Mr. EASTLAND. In this country?

Mr. MAYBANK. Yes.

Mr. EASTLAND. Yes.

Mr. MAYBANK. The Government has subsidized cotton exports by certain payments back and by allocation of acreage.

Mr. EASTLAND. We have had an export subsidy. The distinguished Senator, together with me, was one of the authors of the legislation.

Mr. MAYBANK. It was based on controlled acreage, though.

Mr. EASTLAND. That is correct.

Mr. MAYBANK. Some people have lost sight of the fact that cotton will have to be controlled like tobacco, in the same legal fashion. Does the Senator believe that when the cotton raisers in the various States—California, Arizona, New Mexico, Mississippi—voted for control of acreage they ever thought for a moment that the 90-percent parity principle would not be continued?

Mr. EASTLAND. They voted to continue the 90-percent support system.

Mr. MAYBANK. That is what the vote was on.

Mr. EASTLAND. That is correct.

Mr. MAYBANK. The Secretary of Agriculture has the right to control the acreage. That is correct, is it not?

Mr. EASTLAND. That is correct.

Mr. MAYBANK. Therefore, if we change the law in the middle of the game does it not do a wrong to the farmers?

Mr. EASTLAND. That is correct.

It is often said that the two profoundest truths which came out of the brilliant civilization of ancient Greece—which civilization still shines like a star across the darkness of the years—were the great truth voiced by Socrates,

"Know thyself," and the profound observation of Aristotle engraved on the temple at Delphi, "Nothing in excess." We can continually profit by self-analysis and moderation.

Right now I feel that in sloughing off this garment of near-socialism that was foisted on America some of our friends on the other side of the aisle are in danger of going too far—of stripping our economy down to its economic birthday clothes. Let us use a little moderation. Let us remember that if industry deserves a protective garment of tariffs agriculture is equally entitled to the protective garment of price supports.

The Senate Committee on Agriculture and Forestry voted 8 to 7 in favor of 90 percent price supports. A close vote is also anticipated here in the Senate itself. When opinion is so evenly divided on an issue, an analysis of motivation becomes helpful in ascertaining the cause of disagreement and in creating a meeting of minds.

Let us grant that we all want to do the right thing by the farmer. Is it not true, however, that a strong tide of reaction against statism is now running which makes many feel that, if we could only get back to the simple law of supply and demand, our problems would be automatically solved? Surely even the strongest tariff advocates are not going to let the mood of the moment—the spirit of the times—obscure the fact that America's farmers deserve equity with industry, that price supports merely counterbalance industry's tariff protection, that not 75 percent or 80 percent of parity, not even 90 percent, but 100 percent of parity should logically be our goal.

In my estimation, the theory of flexible price supports is born of the spirit of the times. It is a normal, typical Republican reaction to the New Deal. But it is fallacious nonetheless.

I shall not rehash at length the pros and cons of flexible supports but rather try to crystallize in as few words as possible what seem to me the fundamental fallacies on which the arguments for flexible supports appear to rest:

Fallacy No. 1: That we ought to return as far as we can toward a laissez-faire capitalism, that is, to the law of supply and demand.

As already noted, we cannot do this in the case of the farmer while industry enjoys effective governmental tariff protection.

Fallacy No. 2: That reducing crop prices to 75 percent or 80 percent of parity will automatically reduce the supply of crop commodities now in surplus.

Experience has shown that exactly the reverse is true; namely, that when prices are low, farmers are compelled to produce more heavily than ever to sustain their income and meet their obligations. Just as unduly high prices are an enticement to overproduction, so unduly low prices are a whiplash necessitating overproduction. If anything will keep crop production on an even keel, it is near parity prices.

Mr. President, what illustrates that point is the fact that back in 1930 and 1931 we accumulated tremendous agricultural surpluses because of the abnor-

mally large crops. There were no controls in effect at any time. Because of the low price, a farmer had to expand his acreage. That was done.

The law of supply and demand does not work in agriculture as far as supply goes unless the farmer can shift from an unprofitable crop to a more profitable one, which brings us to the third fallacy.

Fallacy No. 3: That flexible support prices of 75 to 90 percent of parity will result in desirable production shifts to crops not in surplus.

The fallacy here lies in the fact that there are no crop commodities in America today which can be shifted to profitably—everything is in surplus. Lower support levels, therefore, would merely result in lower farm incomes with negligible opportunity for production shifts.

Fallacy No. 4: That 90-percent price supports have caused the surplus.

If we had had 110-percent price supports it might logically be charged that there had been an enticement to overproduction. Similarly, if crop prices had been unduly low, farmers under the whiplash of necessity would have been forced to overproduce. Ninety-percent price supports provide neither the enticement nor the coercion to cause overproduction.

The existence of crop surpluses today was caused in reality by a 30-percent drop in farm exports following the tapering off of various American postwar foreign-aid plans, and the resultant inability of foreign industrial nations to pay for our crop surpluses themselves with their deficit dollar exchange. Beyond the shadow of a doubt, the present-day crop surpluses have been caused principally by our system of tariffs which curtail foreign exports of manufactures to America to such an extent that foreign industrial nations cannot buy American crop commodities of the quality or in the quantity that they desire.

Fallacy No. 5: That 90-percent support prices are too rigid and that more flexibility is needed.

Let me remind my fellow Senators that the whole parity concept is one of flexibility—of crop prices rising or falling in harmony with industrial price levels. If any further flexibility is needed, let it be from 90 to 100 percent of parity and not below 90 percent.

Fallacy No. 6: That flexible price supports ranging down to 75 or 80 percent of parity would result in important price reductions to consumers and a substantial resultant increase in demand for crop commodities.

Actually a drop in farm prices usually gets lost before it ever reaches the grocery store. Or, if there is any drop at the retail level, it is much smaller than the price drop the farmer sustained. Our marketing system, which already takes 55 cents out of each consumer dollar spent on farm products, is so inflexible that price drops at the wholesale level are all, or nearly all, absorbed before the commodities reach the consumer.

Even if retail prices do fall, American consumers do not ordinarily buy more agricultural products, but spend their windfall savings on other things. We are already the best-fed nation in history, with obesity a national health



problem, so that it is difficult for us to consume domestically more products of the farm.

The one exception to the above principle might be such a product such as butter, but even here the increase in consumption following the recent retail price drop of about 8 cents per pound is so small that it is not impressive and the Department of Agriculture does not yet have any comparable figures to cite as evidence of increased consumption.

Fallacy No. 7: That food and clothing prices are too high and the consumer needs a break.

Actually American consumers get more food and better food today for a smaller percentage of their total income than in any period of our history. For instance the average factory worker could buy with 1 hour's earnings in 1914; 3½ pounds of bread; in 1929, 6½ pounds of bread; in 1953, 10½ pounds of bread.

The following table shows the amount of other major foods which 1 hour of average factory pay bought in 1914, 1929, and 1953:

I ask unanimous consent that that table be placed at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	1914	1929	1953
Round steak.....pounds.....	0.9	1.2	1.9
Pork chops.....do.....	1.0	1.5	2.1
Butter.....do.....	.6	1.0	2.2
Milk.....quarts.....	2.5	3.9	7.5
Eggs.....dozen.....	.6	1.1	2.5
Potatoes.....pounds.....	12.4	17.7	32.6
Oranges.....dozen.....		1.3	3.6
Bacon.....pounds.....	.8	1.3	2.2
Tomatoes (No. 2 cans).....		4.4	10.0
Cheese.....pounds.....	1.0	1.4	2.9

Mr. EASTLAND. Note that the largest reduction in the price of food in comparison with wages has occurred when the farmers received 90 percent of parity, proving that a high farm income means greater prosperity for factory workers and relatively low food costs in terms of factory wages.

A 16-cent loaf of bread contains only 2¼ cents worth of wheat. The price of wheat would have to be cut 75 cents per bushel to lower the cost of bread 1 cent a loaf.

There is only 30 cents worth of cotton in a \$3.95 white shirt. Thirty cents is what the farmer gets. To cut the support price of cotton to 75 percent or 80 percent of parity would impoverish the cotton farmer but would reduce the price of a \$3.95 shirt only 5 cents. More than likely the lowered price of cotton would not be reflected in the price of a shirt at all.

Fallacy No. 8: That flexible price supports, by reducing prices to 75 percent of parity, will increase exports.

This is a vain hope because exports are stymied, not by price, since section 32 funds are available for bridging price discrepancies, but by a shortage of dollar exchange abroad. Tariff barriers which prevent our acceptance of adequate foreign manufactures are the real cause of export stoppage.

In the case of cotton, there is no important price discrepancy between

American and foreign cotton export prices. American cotton, as a matter of fact, is generally cheaper at the present time than cotton in the other producing areas of the world. With two exceptions American cotton prices are lower than the prices for comparable grades in all other major producing areas.

I have before me a table issued by the Foreign Agricultural Service of the Department of Agriculture under date of July 23, 1954, and I wish to read to you

*Export price of U. S. Middling 1½-inch cotton compared to export prices of foreign cotton of closest comparable grades as of July 23, 1954*

Country	Port	Grade	Price in United States money
			<i>Cents</i>
United States of America.....	Houston, Galveston, New Orleans.....	Middling 1½-inch.....	34.20
Egypt.....	Alexandria.....	Ashmouni, FGF.....	35.89
India.....	Bombay.....	Jarila, Fine.....	29.86
Pakistan.....	Karachi.....	280F Punjab, SG, Fine.....	35.90
Turkey.....	Ismit.....	Acala II.....	40.50
Peru.....	Lima.....	Tangula, type 5.....	36.96
Brazil.....	Sao Paulo.....	Sao Paulo, type 3.....	35.61
Mexico.....	Matamoros.....	Middling 1½ inch.....	33.94

Mr. EASTLAND. A glance at this table immediately reveals that not the price of American cotton but the absence of dollar exchange abroad is what curtails the export of America's cotton surplus.

Americans consume approximately 30 pounds of cotton per capita annually. The British consume only 15 pounds and the nations of western Europe only 9 pounds. Only by raising the standard of living of such foreign nations as those of western Europe to the point where they consume a few more pounds of cotton per capita annually can we solve the cotton-surplus problem. This can be done only by taking more foreign manufactures so they can get adequate dollar exchange, and not by lowering the support prices for American cotton.

To lower the support prices of American cotton would have a negligible effect upon export but would impoverish the American cotton farmer.

The great wheat surplus existing in Canada creates a situation whereby the lowering of American wheat supports would in no wise expand the export market for American surplus wheat.

The notion that lower support prices will start our crop surpluses moving to foreign markets and relieve the existing glut is altogether erroneous.

Fallacy No. 9: That 90-percent price supports have cost the Government huge sums which could be saved by flexible supports at nearer 75 percent of parity.

This represents a complete misunderstanding of the facts. In 20 years our price-support program has cost \$3½ billion. This represents only 1 percent of the value of crops and livestock marketed. This 1-percent expenditure has meant scores of billions of dollars additional profit for our farmers and additional wages, in turn, for our factory workers. It is doubtful whether Uncle Sam in all our history ever got a bigger bargain in terms of national prosperity than he got for this 1-percent expenditure for price supports over a period of 20 years.

the price of cotton per pound, export tax included, in countries where such taxes exist, in order to prove that there is no need whatever to lower American cotton prices in order to create an export demand inasmuch as our prices are already among the lowest. I ask unanimous consent that this table be placed at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Fallacy No. 10: That the great prosperity America as a whole has enjoyed in recent years has no direct relationship to the near-parity prices which our farmers have been receiving for their crops.

This is the greatest fallacy of all, because the high buying power of our rural population is one of the topmost reasons for urban prosperity.

Mr. President, I have mentioned every argument for the theory of flexible price supports at 75 to 90 percent of parity that has been presented by its sponsors. I think I have presented them fairly. Upon scrutiny and analysis, every argument falls apart. All are fallacious.

Now a few words in conclusion.

I wonder how many Senators fully realize how crucial the position of our farmers is at the present time? Net farm income has declined 18.3 percent in the past 3 years. This loss of income has already been felt by American industry. It has created a feeling of hesitation in our economy. If we deliberately wish to promote a depression, there is no surer way of doing so than by further reducing farm income. City people have just as much at stake in this issue as our farmers have. In the economic realm the welfare of one is the welfare of all.

Permit me to summarize the farmer's economic plight by a little table. Mr. President, I ask unanimous consent that the table be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Annual farm income loss through price declines in last 2 years.....	\$1,600,000,000
Prospective annual farm income decline through voluntary acreage reductions.....	2,000,000,000
Additional annual farm income decline that would result from price supports at 75 percent of parity.....	1,400,000,000

Mr. EASTLAND. Altogether this would constitute a 25-percent shrinkage

in net farm income for the entire Nation. This is the equivalent to asking our factory workers, whose average income is now \$1.76½ per hour, to take a cut in wages of 44 cents an hour, or \$3.52 a day. That is just the sort of cut factory workers will take if rural buying power for factory products is destroyed. Let us avoid this vicious circle—this totally unnecessary invitation to a depression—by sustaining rural buying power at 90 percent of parity.

Seventy percent of American farm products were sustained by price supports of some kind in 1953. In my home State of Mississippi 86 percent of all the farm production benefited from price supports.

Let us never forget that 90 percent price supports are a powerful stabilizing factor in our economy. They have prevented a postwar depression such as we had after World War I. Why flirt with disaster?

Our farmers want 90 percent price supports. There is no question about farm sentiment. Intelligent city folks want 90 percent price supports because they know that farm prosperity is the best job insurance that city people can have.

Flexible price supports are a snare and a delusion. They will impoverish the farmer and leave the surplus problem untouched. Export alone is the final answer to surpluses and export awaits the mitigation of our tariff barriers.

Mr. President, at the beginning of this speech I told a little anecdote about a former Member of the Senate who practiced what he called the art of politics—namely, talking one way and voting another. I seem to remember now a President of the United States who in a farm speech delivered at Kasson, Minn., on September 6, 1952, said to the farmers of this Nation, and I quote: "The farmers' 'fair, full share of the national income' should be 'not merely 90 percent of parity' but 'full parity.'"

If I can understand the English language, that is an implied promise to give the farmers 100 percent of parity. It was so interpreted by the farmers of this country in the presidential campaign of 1952.

The President is advocating 75 to 80 percent of parity for the farmers, because that is what flexible supports will bring in practice. I wonder if this inconsistency between promise and performance is not a classic illustration of the art of politics? I wonder whether the voters of the country are not catching on to this sort of thing and will not make themselves felt at the polls?

In 1940 the late Wendell Willkie made some rather bombastic statements during his campaign for the Presidency. Later, when testifying before a Senate committee, he tried to laugh off the promises made during his campaign by referring to them as "campaign oratory."

Mr. President, farmers have a long memory. They were promised a farm program which would give them 100 percent of parity. They are getting a program which will give them, in the long run, 80 percent of parity.

This is a question which rises above politics and rises above party. There is nothing which will prevent a depression more surely than to retain agricultural purchasing power and farm prosperity. Eighty percent of the industry of my State is agriculture. The entire prosperity of Mississippi depends upon retaining the 90 percent support price system. It is a good system. It has cost the Treasury a small sum of money. We shall be flirting with disaster if price supports are lowered.

#### PROPOSED UNANIMOUS-CONSENT AGREEMENT

Mr. KNOWLAND. Mr. President, I am about to propose a unanimous-consent agreement. Before doing so, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, on behalf of the minority leader and myself, I send to the desk a proposed unanimous-consent agreement, and ask that it be read for the information of the Senate.

The PRESIDING OFFICER. The clerk will read the proposed unanimous-consent agreement, for the information of the Senate.

The legislative clerk read as follows:

*Ordered*, That on Monday, August 9, after the morning business, during the further consideration of S. 3052, to encourage a stable, prosperous, and free agriculture, and for other purposes, debate on the pending amendment (offered by Mr. AIKEN) and any amendment thereto or motion (including appeals) shall be limited to not exceeding 4 hours, to be equally divided and controlled, respectively, by the Senator from Vermont [Mr. AIKEN] and the minority leader or some Senator designated by him: *Provided*, That no amendment that is not germane to the subject matter of the said bill shall be received: *And provided further*, That debate upon any further amendments be limited to 2 hours each, to be equally divided and controlled, respectively, by the mover of any such amendment and the Senator from Vermont [Mr. AIKEN] in the event he is opposed to such an amendment or motion; otherwise, by the mover and the minority leader or some Senator designated by him: *Provided further*, That debate upon the bill itself shall be limited to not exceeding 3 hours, to be equally divided and controlled, respectively, by the Senator from Vermont [Mr. AIKEN] and the Senator from Texas [Mr. JOHNSON]; and that in the event of the third reading of S. 3052 the Senate shall, without debate, immediately proceed to the consideration of the bill (H. R. 9680) to provide for the continued price support for agricultural products, to augment the marketing and disposal of such products, to provide for greater stability in agriculture, and for other purposes; that it be deemed to be amended by striking out all after the enacting clause and inserting the text of S. 3052 as amended; and that the engrossment of the amendment and third reading of the said bill be deemed to be ordered, and a vote taken on the final passage of the House bill as amended; and that, if passed, S. 3052 be indefinitely postponed.

Mr. KNOWLAND. Mr. President, if I may make a brief explanation, if the Senate grants the unanimous-consent requests, it is proposed that the Senate continue in session this evening to a reasonable hour, in order that any Senators who are on the list as speakers may be heard. The Senate will continue debate on the bill on tomorrow without any limitation of debate being in effect. The Senate would then convene at 11 o'clock Monday next, at which time, immediately following the morning business to which the usual 2-minute limitation on speeches would apply, the Senate would proceed under unanimous-consent agreement, which provides for 4 hours of debate on the so-called Aiken amendment and any amendments thereto, the time to be equally divided. Furthermore, under the unanimous-consent proposal there would be 2 hours of debate on subsequent amendments, the time to be equally divided. In addition, on the bill itself, 3 hours of general debate would be allowed, the time to be equally divided.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the distinguished minority leader.

Mr. JOHNSON of Texas. As I understand, it is proposed to have 4 hours of debate on the Aiken amendment and on all amendments thereto, which means that that time would be divided equally between both sides. Since the Senate will reconvene at 11 o'clock on Monday, and assuming 30 minutes are consumed for morning business, there would not be a vote before 3:30 p. m. I have no doubt that Senators on this side of the aisle will use those 2 hours for debate. I ask the distinguished chairman of the committee if he thinks there is any question that Senators on his side of the aisle will use the 2 hours.

Mr. AIKEN. I would presume that the time would be largely consumed on amendments offered to my amendment, because the amendment itself should be pretty well debated.

Mr. JOHNSON of Texas. A proviso could be included in the unanimous-consent proposal that no vote would be taken on the Aiken amendment, or on the amendments thereto, prior to 3:30 p. m.; but if the Senator from Vermont thinks Senators on his side will use all the time provided—and I cannot conceive that Senators on this side will not use up the time available on the amendment and the amendments thereto—there would be no point in having such a proviso.

Mr. KNOWLAND. We are certain that the time on Monday will be used, and I certainly do not anticipate that the Senate will proceed to a vote before 3 o'clock.

Mr. JOHNSON of Texas. I understood the distinguished majority leader to say that the Senate is expected to remain in session until a reasonable hour this evening. Would he mind informing me what he means by a reasonable hour?

Mr. KNOWLAND. I would consider 7 o'clock to be a reasonable hour, unless Senators have speeches which they particularly desire to make and to get out



of the way tonight, for a particular reason, such as the fact that they would be away tomorrow; but the Senate will be in session tomorrow, and Senators who desire to speak on the bill at that time will be able to do so.

Mr. JOHNSTON of South Carolina. Mr. President—

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from South Carolina?

Mr. KNOWLAND. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I am not objecting at this time, but I reserve the right to object until I ascertain just what the procedure will be. I understand that 18 Senators have indicated a desire to speak on the bill. I know that will take some time. I wish to know whether the majority leader intends to move to lay aside the pending bill, in order to take up any other measure in the meantime.

Mr. KNOWLAND. No. Let me say we shall not have a calendar call tomorrow, and we do not plan to take up any other business tomorrow, either in the form of conference reports or in the form of bills. We do not plan to lay aside this bill for the consideration of any other measures.

Mr. JOHNSTON of South Carolina. That meets any objection I might have.

However, inasmuch as 18 Senators have signified a desire to speak on the bill—about as many Senators on one side of the aisle as on the other, I believe—I point out that there is no attempt to conduct a filibuster. The fact is that the pending bill is a very important one.

Mr. KNOWLAND. That is correct, and there is no desire to foreclose the making of speeches on the bill. That is why we do not intend to have a calendar call tomorrow, but, instead, intend to have the session tomorrow begin at 10 a. m., in order to permit as many speeches as possible to be made on the pending bill during the session on tomorrow.

Mr. JOHNSTON of South Carolina. Of course, many Senators wish to be assured that they will have an opportunity to speak on the bill tomorrow.

Mr. KNOWLAND. Yes; Senators can be assured of that.

Mr. MORSE. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. MORSE. Reserving the right to object, although I shall not object, I wish to make a brief statement for the RECORD, in connection with the proposed unanimous-consent agreement.

As is well known, as a matter of general policy I am opposed to unanimous-consent agreements to fix the time for voting in the Senate or to limit debate in the Senate. However, I am glad to cooperate in regard to the entering of unanimous-consent agreements, as I am doing in this case, when I am convinced there has been adequate time for debate. Let me say there is no question that when the record of this debate is closed, there will have been adequate time for debate on this measure, particularly in view of the fact that for many months past we have been debating this issue.

In the RECORD for the past number of months there will be found a great many speeches by a great many Senators on the farm issue.

Furthermore, one of the reasons why, as a general policy, I object to or oppose proposed unanimous-consent agreements to limit debate in the Senate is that I always wish to make certain that the American people have had adequate time in which to make known their views on any issue before the Senate. Let me say I am certain that every Member of the Senate knows full well the views of his constituents on the farm issue, as between firm supports and flexible supports.

Therefore, because I think we have had adequate time for debate and because I believe that the American people have been heard from on this issue, and that we know their views about it, I shall not object.

Mr. KNOWLAND. Mr. President, after some discussion, I wish to modify the proposed agreement by increasing the number of hours on the Aiken amendments, or amendments thereto, from 4 to 5 hours, with the time still to be equally divided, and with the Senate session to commence at 12 o'clock noon, instead of 11 a. m., on Monday next.

Mr. HENDRICKSON. Mr. President, will the Senator from California yield to me?

The PRESIDING OFFICER (Mr. Upton in the chair). Does the Senator from California yield to the Senator from New Jersey?

Mr. KNOWLAND. I yield.

Mr. HENDRICKSON. There are nearly 700 bills on the calendar; the exact number is between 600 and 700. Can the distinguished majority leader tell us approximately when we shall reach the calendar?

Mr. KNOWLAND. I hope we shall reach the calendar on Tuesday, if we are able to dispose finally of the agricultural bill on Monday. But the best rule of thumb I can give to the Senator from New Jersey is that we shall take up the calendar subsequent to the passage of the farm bill.

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. If the proposed unanimous-consent agreement is entered, then it is unlikely that any vote will be taken before 5 p. m. on Monday, is it not?

Mr. KNOWLAND. That is correct.

Mr. YOUNG. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. YOUNG. We are faced with a rather unusual situation, since the chairman of the Committee on Agriculture and Forestry is in charge of both the committee's version of the bill and the pending amendment. Who will divide the time, under the proposed unanimous-consent agreement?

Mr. KNOWLAND. The time is to be divided by the minority leader, the distinguished senior Senator from Texas [Mr. JOHNSON], and the senior Senator from Vermont [Mr. AIKEN].

Mr. YOUNG. If that procedure is to be followed, the majority of the Senate

Committee on Agriculture and Forestry will have no voice in the matter.

Mr. KNOWLAND. The only problem with which I was faced—and the Senator from North Dakota will recall that I showed him the proposal, in advance—was that I did not wish to get into a position where two Republican Senators would be controlling the time.

Mr. YOUNG. Mr. President, I object. The PRESIDING OFFICER. Objection is heard.

Mr. KNOWLAND subsequently said: Mr. President, I ask unanimous consent that the Chair put the proposed unanimous-consent agreement.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. KNOWLAND. As modified.

Mr. THYE. Mr. President, may we have that proposed unanimous-consent agreement read so that we know what is before us?

The PRESIDING OFFICER. The clerk will read the proposed unanimous-consent agreement.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. KNOWLAND. Yes; I yield.

Mr. THYE. The reason I am asking to have it read is that, to my regret, I was detained in my office where I had gone to be interviewed by a person. Therefore, I was temporarily absent, and did not know what the unanimous-consent agreement was.

The PRESIDING OFFICER. The clerk will read the proposed unanimous-consent agreement for the information of the Senate.

The Chief Clerk read as follows:

*Ordered*, That on Monday, August 9, after the morning business, during the further consideration of S. 3052, to encourage a stable, prosperous, and free agriculture, and for other purposes, debate on the pending amendment (offered by Mr. AIKEN) and any amendment thereto or motion (including appeals) shall be limited to not exceeding 5 hours, to be equally divided and controlled, respectively, by the Senator from Vermont [Mr. AIKEN] and the minority leader or some Senator designated by him: *Provided*, That no amendment that is not germane to the subject matter of the said bill shall be received: *And provided further*, That debate upon any further amendments be limited to 2 hours each, to be equally divided and controlled, respectively, by the mover of any such amendment and the Senator from Vermont [Mr. AIKEN] in the event he is opposed to such an amendment or motion; otherwise, by the mover and the minority leader or some Senator designated by him: *Provided further*, That debate upon the bill itself shall be limited to not exceeding 3 hours, to be equally divided and controlled, respectively, by the Senator from Vermont [Mr. AIKEN] and the Senator from Texas [Mr. JOHNSON]; and that in the event of the third reading of S. 3052 the Senate shall, without debate, immediately proceed to the consideration of the bill (H. R. 9680) to provide for the continued price support for agricultural products, to augment the marketing and disposal of such products, to provide for greater stability in agriculture, and for other purposes; that it be deemed to be amended by striking out all after the enacting clause and inserting the text of S. 3052 as amended; and that the engrossment of the amendment and third reading of the said bill be deemed to be ordered, and a vote taken on the final passage of the

House bill, as amended; and that, if passed, S. 3052 be indefinitely postponed.

Mr. THYE. Mr. President, first, I wish to say that I have no objection to the minority leader, the Senator from Texas [Mr. JOHNSON], being in control of the time, because I have every confidence in the world that the Senator from Texas will give those of us who advocate 90 percent support every opportunity to debate it.

But I call to the attention of the Senate the fact that this is the first time in my experience that those of us who have advocated 90 percent price supports, those of us who were in the majority and who filed the majority report in the Senate Committee on Agriculture and Forestry, which was laid before this body, are not permitted to be in control of the time. It is the most unusual procedure I have ever seen on the Senate floor in my experience here. But I say again that I have every confidence in the minority leader and, therefore, I shall not object. But I do not like the manner in which this game is being conducted on the Senate floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. I think the minority leader should say, in reply to the distinguished Senator from Minnesota, that he appreciates very much the confidence the Senator has reposed in him. The Senator from Texas feels just as does the Senator from Minnesota on the 90 percent price-support question.

Mr. THYE. I know that; therefore, I have every confidence in the Senator.

Mr. JOHNSON of Texas. The form of this agreement is identical with that of every other unanimous-consent agreement I have ever seen. When we were in the majority, Senator Wherry or the Senator from New Hampshire [Mr. Bridges] or Senator Taft, when he was here as the majority leader, always provided that the chairman of the committee or the mover of the amendment, should control the time on one side, and the time on the other side was controlled by the minority leader.

I have always felt that such time as I had at my disposal should be yielded to Senators who were taking a position opposite to that of the proponents of the amendment if they desired to speak. I do not believe we shall have the slightest difficulty. I have no pride in controlling the time.

Mr. THYE. Mr. President, I qualified my statement.

Mr. JOHNSON of Texas. The minority leader will follow the practice which has prevailed all through the years. I shall be very happy—as a matter of fact, I would prefer—to have the distinguished Senator from North Dakota [Mr. YOUNG], the distinguished Senator from South Dakota [Mr. MUNDT], or the distinguished Senator from Minnesota [Mr. THYE], or some member of the committee who represents this viewpoint actually control the time.

Before I became a party to the unanimous-consent agreement, I discussed it with the proponents of the 90 percent

parity proposition. I had understood, although I did not personally discuss it, that the proposed agreement was acceptable to the Senator from North Dakota [Mr. YOUNG], and when he raised objection, we went back and pointed out that the Senator from Vermont [Mr. AIKEN] is the proponent of the Aiken amendment. The opponents of that amendment will get their time from me. I had the time increased to 5 hours so that we would have 2½ hours.

I should be gratified if, instead of providing that the minority leader control the time, the agreement were to provide that any individual Senator may do so. That would not be in the least embarrassing to me. But, in fairness to the majority leader and myself, the form of agreement which is presented is the one we have used through the years, and I think it has worked well in each instance.

Mr. KNOWLAND. Let me say to the Senator from Minnesota [Mr. THYE] that, first of all, I showed the agreement to my good friend the Senator from North Dakota [Mr. YOUNG] prior to propounding it in the Senate; also, we were faced with the problem that we might have all the time controlled on the Republican side of the aisle, which I thought might present some problems, and since the minority leader—and this is a customary procedure—has a position opposite to that of the chairman of the committee, whose amendment is the pending amendment, it seemed that in equity and fairness the suggested arrangement would be agreeable. Had any suggestion been made in advance, I certainly would have tried to make a modification.

Mr. YOUNG. Mr. President—

Mr. KNOWLAND. I now yield to the Senator from North Dakota.

Mr. YOUNG. Although an unusual situation has developed, I think it is pretty well clarified now. I wanted to be absolutely satisfied. Through no fault of his own, the chairman of the Senate Agriculture and Forestry Committee [Mr. AIKEN] is in charge of a bill which he opposes. I wanted to be sure who was dividing the time.

Mr. KNOWLAND. I desire my good friend from North Dakota to know that I want to be fair, as I have always tried to be. I merely propounded the customary form of agreement so that both sides of the argument, and preferably both sides of the aisle, would have an opportunity to present their views.

Mr. MUNDT. Mr. President, reserving the right to object—

Mr. JOHNSON of Texas. Mr. President, the proposed unanimous-consent agreement provides that the time on one side shall be under the control of the minority leader or some Senator designated by him. If the distinguished Senator from North Dakota [Mr. YOUNG] or the distinguished Senator from South Dakota [Mr. MUNDT] or the distinguished Senator from Minnesota [Mr. THYE] has any suggestions as to any one of them they might like me to designate, I shall be very happy to comply.

Mr. YOUNG. I am satisfied.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. President, I rose really to object to the unanimous-consent agreement, but I believe we have arrived at an arrangement which will be satisfactory and will avoid establishing any unfortunate precedent in connection with other amendments which may be offered. As I understand it, this arrangement provides that the senior Senator from Vermont [Mr. AIKEN] shall be in control of the time, not because he is chairman of the committee, but because he is sponsor of this particular amendment. If that is the case, it seems to me to be a perfectly reasonable relationship. We know that the senior Senator from Texas will deal fairly with us, because we are all working on the same side of this issue.

I did not desire to establish a bad precedent, for other amendments to come up. Because of his position as chairman of the committee, the senior Senator from Vermont [Mr. AIKEN] would have charge of the time.

Mr. KNOWLAND. As to the other amendments, the proposer of an amendment will control the time on one side, and the Senator from Vermont [Mr. AIKEN] will control the time of the opposition, unless the Senator happened to be in favor of the amendment, in which case the Senator from Texas [Mr. JOHNSON] would control the time.

Mr. MUNDT. In that case I have no objection.

Mr. LANGER. Mr. President, reserving the right to object, may I inquire how many more speeches are to be delivered on this subject?

The PRESIDING OFFICER. It is impossible for the Chair to give a definite answer, but judging from the list, the indications are that there will be 10 or a dozen.

Mr. KNOWLAND. I will say to the distinguished Senator from North Dakota, since I do not believe he was here when I made the announcement, that the Senate will continue in session tonight until a reasonable hour, 7 or 8 o'clock, or whatever is necessary to enable Senators who desire to do so to make their remarks tonight. The Senate will begin tomorrow morning at 10 o'clock and proceed all day tomorrow, for any speeches which Senators desire to make. Then when we come in at 12 o'clock noon on Monday next we shall have 5 hours of time equally divided.

Mr. LANGER. I have some work to do for the Committee on the Judiciary which is very important, and I cannot speak until Saturday afternoon. However, I desire to be certain that I shall not be cut off Saturday afternoon, because I have a speech of about an hour and a half.

Mr. KNOWLAND. The Senator from North Dakota can be assured that no other business will be taken up, and the time on Saturday will be available for speeches.

Mr. LANGER. I remember very distinctly that we had a similar discussion about 5 or 6 years ago, and I was cut off after I came in to speak. I was allowed only a half hour. At that time I desired about an hour and a half.



Mr. KNOWLAND. There will be no limitation of time tomorrow.

Mr. LANGER. Provided I can obtain the floor.

Mr. KNOWLAND. I am sure the Senator will have no problem on that score.

Mr. LANGER. I understand that about 15 Senators have already requested time.

Mr. KNOWLAND. We will see that the Senator from North Dakota gets the floor.

Mr. LANGER. I know. I was promised that before.

Mr. WILEY. When the Senator was not permitted to finish his speech, what happened to the price of wheat?

Mr. LANGER. We got by all right with the price of wheat, but the present situation would not compare with that.

The PRESIDING OFFICER. Does the Senator from North Dakota ask to have his name included in the list? Of course, it is an unofficial list, and is not controlling, but it does commonly guide the Presiding Officer. There are approximately a dozen Senators listed who have not spoken.

Mr. LANGER. I do not wish to take advantage of any other Senator. My distinguished friend from Georgia [Mr. RUSSELL] has offered to yield to me, but I would not consider that for the world, because I know the Senator from Georgia will make a much better speech than I could possibly make. He and I are on the same side. However, I wish to be sure that I will have an hour and a half tomorrow afternoon. Unless I can be assured of that, I shall—

Mr. KNOWLAND. I think the Senator can accept the assurance of the majority leader and the minority leader that he will be recognized tomorrow afternoon and that he will have an hour and a half. I think the Senator can be reasonably assured on that point. We will hold the Senate in session to be sure he gets the time.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. LANGER. May I have just a moment to consult with my distinguished colleague? This is a very important matter. The Senator from North Dakota must talk this situation over.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. LANGER. I have no objection.

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to.

Mrs. BOWRING. Mr. President, on June 24 I had the honor to address my colleagues here on the Senate floor on the subject of national agricultural policy, and specifically to express my support and conviction in behalf of a flexible program of agricultural supports.

At this time, I should like to comment that my arguments in favor of the flexible-support principle do not seem to have impressed the members of the Senate Committee on Agriculture and Forestry to the extent that this junior Senator might have hoped. Of the eight-member majority of the Senate committee who voted in favor of a continued program of rigid, 90 percent sup-

ports, I have seen no indication that a single one has changed his view and been won over to the principle of flexibility, notwithstanding that I spoke with all the eloquence and persuasiveness at my command.

However, I am not one to be easily discouraged. Therefore, I rise at this time to reassert my belief that a flexible program of agricultural supports should be adopted by the Senate, and would better serve the Nation than to continue for even one more year the high, rigid-support program, as our eight friends of the Senate Committee on Agriculture and Forestry have advocated.

First, I should like to review briefly what appears to be the reasoning behind the proposal to continue the 90 percent supports on basic commodities.

As I analyze the majority report of the Senate Agriculture Committee, the adherents to continuing high, rigid supports feel that there is a national obligation to the farmers who produce our basic crops; that failure to do so would be detrimental to the prosperity of the Nation; and that flexible supports would increase, rather than reduce, production of these supported crops, which now are in great surplus and are taxing the warehouse facilities of the Nation.

At this time, Mr. President, I should like to discuss only the third of these points. I shall confine the area of my discussion today, in the interest of brevity, for I should not like it said that I am engaging in either lengthy or dilatory tactics, to say nothing of conducting a filibuster, on a measure so vital to the national interest as is the farm bill now before us.

I freely grant that those who speak in behalf of continued 90 percent price supports are sincere in their belief and convictions. But it is my honest judgment that we are deluding ourselves if we accept the argument that crop production would increase under a decline in price or a moderate reduction in the support-price level.

It has been said and written many times that if farm prices decline, farmers will dig in to increase production, in an attempt to maintain total income.

If this reasoning is not fallacious, then it follows that whenever there is a break in the price of an industrial commodity or a farm crop which is not under Government price supports, the producers will immediately speed up production, in the hope of keeping total income at a constant high level.

But who among us believes and will honestly say that it is the policy of American manufacturers to meet periods of surplus and declining price in their particular field of production by turning out more production? Why, of course, it is an elementary economic fact that in the field of industry, reduced output always follows when surpluses occur, sales fall off, and consequent declines in price occur.

Let us see if our friends who advocate continued high, rigid supports on basic farm commodities are being entirely consistent.

On April 27, the Senate adopted what was known as the wool bill. This measure was based on the premise that agri-

cultural production is stimulated by high price. It is my observation that 7 of the 8 Agriculture Committee members, who sponsored the continuation of high rigid farm supports in the bill presently before us, also voted for the wool bill.

Is it not, therefore, logical to assume that these gentlemen favor a high support level for wool in order to increase domestic production, but that they desire high supports for wheat and cotton and the other basic commodities in order to prevent an increase in production?

Let us observe that the situation is not quite as inconsistent as it might seem.

Those who argue for high price supports to stimulate production on the one hand, and who favor high price supports for fear of stimulating even greater surpluses in another case, are absolutely consistent in that they favor high rigid price supports.

When we needed an agriculture geared to meet the demands of wartime, we were told that high price supports were the answer.

Now, when we need an agricultural program adjusted to peacetime conditions, we are still told that high price supports are the necessary instrument and the policy we must follow for the good of the Nation.

But, Mr. President, what really are the facts: What is the effect of prices on production? Does a high price really stimulate or retard production?

This problem has been studied by any number of economists and agricultural scientists. Yet, I know of no single piece of competent research that supports the contention that a declining price level stimulates greater production, in any field of free and normal commercial enterprise.

And I am confident that there is no evidence to dispute the contention that farmers behave logically and react the same as any other producer with respect to prices. They increase the production of their commodities when price rises in relation to the price of other commodities. They cut down their production when price shows a relative decline. Cattle producers or sheep ranchers behave the same as wheat farmers or cotton planters in this respect—and all farmers behave like nonfarm producers.

It is true that, in the short run, rather large changes in price are needed to bring about a given change in production. A 10 percent change in the price of wheat ordinarily leads to about a 2 or 3 percent change in the same direction in the acreage of wheat the following year. Cotton responds in about the same way. If continued over time, these price changes would have greater effect than would be found in the short run.

Corn is grown as part of the rotation and primarily for feed rather than for market. The acreage of corn in the Corn Belt responds very little to price changes from year to year. Flaxseed production, on the other hand, responds readily to price changes.

The effect of price on production is hard to see clearly because it is obscured by other things.

In the first place, production of a commodity responds not to price as such but to the price of a commodity as compared

with prices of other commodities. For example, the acreage of corn in Iowa increased from 1930 to 1932, while the price was falling. But despite this fall, the price of corn was still high enough so that corn was more rewarding to farmers than other crops. This explains the increase.

Secondly, changes in yields resulting from weather often obscure the relationship of price to production. Sometimes farmers reduce their acreage in response to a decline in price, but good weather comes along and unintended production increases result.

Finally, it takes time to change the pattern of farm production, and this takes longer for some products than for others.

The production of broilers can be increased or decreased 4 months after the intended change is undertaken.

For most crops, production cannot be changed until the next year, no matter what the price is.

Hog production can be increased or decreased a year or two after the price stimulus is given.

It takes 3 or 4 years before farmers can achieve the changes in cattle production called for by price change. During the past year we saw an increase in cattle numbers despite a decline in price. It was not this year's price to which cattle numbers were responding, but the attractive prices of 3 or 4 years ago.

Agricultural production cannot be turned off and on like a spigot, or speeded up and slowed down like an assembly line.

If farmers respond in an irrational manner to price changes, as is claimed, how is it that we have achieved as good a balance of supply and demand as we have for the nonbasic crops, the production of which is not regulated? These crops are selling at about the same price levels as are the price-supported crops, and supplies are more nearly in line with market outlets.

If the contention of the advocates of high-rigid supports is correct, a decline in the price of these commodities should lead to an increase in production, which would mean a still lower price. This would further increase the supply. By this same reasoning, in the absence of acreage controls we would soon reach a point at which production was prodigious and price extremely low. Obviously, this has not happened.

To summarize, Mr. President, farmers do respond in a logical manner to price changes. If the price of wheat should moderately decline, some land would be voluntarily shifted out of wheat. This would occur most readily where there are attractive alternative crops or livestock opportunities. It would not occur quickly and it would not be easy.

It is not proposed in the program recommended by the President that price changes would have sole responsibility for bringing about needed changes in production. Acreage allotments and marketing quotas would be retained and undoubtedly would be used if needed.

But these controls would be working along with price changes to bring about the needed adjustments. These two forces would not be working against one

another as they now do. Presently, farmers are being encouraged by high prices to produce all they can; and by the device of acreage allotments and marketing quotas they are admonished to reduce their production. Small wonder that there is confusion.

Why are hogs now selling at 105 percent of parity? Because farmers reduced their production in response to the low prices of 1952. What is now happening to hog production? It is increasing in response to higher prices. What has happened to potato acreage? By their own free decisions, farmers have decreased their acreage in response to last year's low price.

Nebraska, almost more than any other State, depends upon agriculture, and Nebraska's prosperity and well-being are in direct proportion to the prosperity and well-being of its farm producers.

I am fully aware that the prosperity of agriculture in Nebraska and the agriculture of our whole Nation is enormously important. I am aware that we cannot have national prosperity without farm prosperity, and that if depression lays hold on our farm population, a like period of depression will invariably engulf the rest of our national economy.

Therefore, I want to state here and now that I do not argue for collapse of farm prices and agricultural income. I believe that our President and our Secretary of Agriculture have rightly recognized that if we continue high, rigid supports on the limited number of basic farm crops which are now being produced in such gigantic surplus, because we have continued a program of Government subsidy originally designed to boost output to the artificially high levels required in time of war, we shall threaten to collapse the entire program of Government support. If that disaster ever occurs, we will indeed be plunged into a collapse of farm prices which will drag the whole national economy into the pit of economic depression.

None of us want to see this occur. We are all working, each in the way we believe best, to assure that our economy remains on a high and prosperous level.

Therefore, I say that a moderately conceived and moderately administered program of flexible supports for basic farm commodities will better cushion the national farm output in line with the market for those agricultural commodities. It is my honest judgment that a vast majority of sincere and thoughtful farmers of the Nation recognize this principle and agree that it will best serve all of the Nation's farm producers and the Nation as a whole.

In conclusion, Mr. President, I should like to read to the Senate an editorial which appeared in the Omaha Daily Journal Stockman for Monday, June 21, which points up what I believe are some of the important angles in this issue of flexible versus high, rigid agricultural price supports.

The article is entitled "Farmers, Politicians, and Santa Claus" and reads as follows:

A breakdown of farm income recently released by the Department of Agriculture throws interesting light on the whole farm price-support question and the degree to

which the American farm economy is at the mercy of the political whims of Congress.

In the first place, the report shows that, for the country as a whole, cash receipts from farm marketings of commodities that have no price support whatever amounted to 56 percent of the total, whereas cash receipts from price-supported basic commodities, including tobacco, amounted to only 23 percent. In other words, supported basic products returned considerably less than half of that returned by commodities sold on the free market without subsidies. The study shows that during the past 21 years prices of nonsupported products have averaged 7 percent higher than prices of supported products, relative to the base period.

Looking into the situation further, we find that farm income from basic commodities is concentrated in 9 Southern States, 1 Midwest State (Kansas) and 2 Northern States (North Dakota and Montana), all getting 40 percent or more of their farm income from the basics. On the other hand, many States receive a very small percentage of their farm income from this source, even down to zero. Iowa's farm income from the basics, for example, amounted to only 8 percent of its total, Missouri 14 percent, Illinois 21 percent, and Nebraska 24 percent. Excluding tobacco, we find that only seven States receive 40 percent or more farm income from high supported basics.

Actually, despite sharp declines in cattle values, nonsupported meat animals far surpassed all other sources of farm income last year, amounting to 29 percent of the total. And there is a good chance that the percentage will be even higher this year—this, despite the fact that price-supported grains and feeds are a real element of cost in meat animal production.

Such studies give the lie to lofty claims often voiced for the price-support program and the degree to which it, and it alone, is responsible for holding American agriculture together. Unfortunately, politicians find it convenient to disguise themselves as a Santa Claus to the farmer, and so long as it continues to deliver votes, they probably will continue to do so. But we feel confident that farming in this country will survive even the Santa Claus myth. The trouble is that Santa Claus in this case is exacting a high toll in taxes, time, and maladjusted agriculture for his services.

Mr. SCHOEPEL. Mr. President, I rise to present my views today on the farm legislation that is before us.

At the outset, I wish to say that there are honest, sincere differences of opinion.

The senior Senator from Kansas happens to believe that many of the anticipated fears, dislocations, and calamitous results will not come to pass.

Mr. President, I have one very definite reason for being vitally interested in this legislation. It is that the State of Kansas is the largest wheat-producing State in the Nation.

The State of Kansas is vitally concerned with what Congress does on agriculture legislation. Kansas is a farm State—a great farm State. It is a State which throughout the years has contributed much to the agricultural economy of the Nation. It has had a leading role in filling not only the breadbasket of America but of the world.

The farm program now operating has been in effect since the beginning of World War II. The effects of the program on the major commodities of wheat and cotton, and some others, have been quite similar. The predicament of the Kansas wheat farmer is most familiar to



me, and therefore I want to use illustrations from wheat as the basis for my decisions. Keep in mind, however, that the same principles are applicable to other major crops.

Let us examine where the present program, followed for 12 years, has led us.

First. Kansas wheat farmers have lost their right to produce 5 million acres of wheat. Their opportunity to produce wheat and their ability to produce wheat have been cut a third.

Second. Rigid high price supports have subsidized competitive wheat production outside of the efficient wheat-producing areas. Wheat acreage in Illinois, Michigan, Mississippi, Arkansas, Idaho, Wyoming, Colorado, and Utah—relatively high-cost, low-quality, inefficient wheat-producing areas—has increased more than 50 percent.

I digress to say that I hope Members who are on the floor listening to me this evening, or who will read my remarks in the *Record*, will not think me presumptuous or overzealous when I discuss the Kansas picture, because I desire to point up certain factors with reference to one of the great agricultural products of my State.

I wish the Senate could take the time to analyze wheat acreage State by State according to the tables provided for me by the Department of Agriculture. They give the cold facts on the shift of acreage from efficient wheat-producing areas to the margins.

Third. Rigid high United States price supports for wheat have encouraged wheat production all over the world. Since the early postwar years the world wheat acreage has increased by an acreage equal to the domestic wheat allotment for 1955. Our policy has encouraged wheat production abroad with which we cannot now compete.

Fourth. Rigid high United States price supports for wheat have reduced the domestic wheat market for feed and contracted the export market.

For example, wheat has traditionally been an important feed crop. The high supported price of wheat has now priced wheat out of the feed market. Exports have fallen from over 400 million bushels to approximately 200 million, and the export of one-third of the 200 million bushels has been financed under foreign aid programs.

Not only has this program encouraged production abroad, but it has priced us out of the foreign market.

Fifth. Rigid high United States price supports for wheat have encouraged the domestic production of high yielding, inferior quality, nonmillable wheat which could be sold only to the Government, and which hangs over the market to depress all prices and endanger the support program. For example, the production of low-grade white wheat in 1953 was 99 percent above the 1940-44 average.

Sixth. Rigid high United States price supports for wheat have deprived the farmers in the efficient producing areas of the Great Plains from Montana and the Dakotas, through Kansas, to Texas, of the right to produce wheat in an area where there are virtually no alterna-

tives; and their right to produce has been partially transferred to the high-cost, low-efficiency areas where there are many alternatives.

Seventh. Rigid high United States price supports for wheat have created a surplus of a full year's crop which overhangs the market. Farm storage and central storage are virtually exhausted. Even the storage in the mothball fleet is virtually exhausted.

Finally, 12 years of the present program will soon result in reduction of income to wheat farmers by one-third.

Farmers know that a continuation of this program is not the answer to their dilemma. As I said at the outset, there are honest differences of opinion.

Mr. President, I have joined with those who have a firm conviction that some change in the program is needed. I shall support a program which will guarantee to farmers a 90 percent price support, so long as they keep production in line with demand. When production is not adjusted to demand, this program will support the price at from 80 to 90 percent, depending upon the supply position.

This is a flexible high price-support program, and, let me repeat, it is a program to support basic farm products at 90 percent of parity so long as production is kept in line with demand. When production exceeds demand, the price support is to vary between 80 and 90 percent of parity, depending upon the supply position. Obviously, with a 200 percent supply position, which now exists, some adjustments are needed.

I desire to point to one of the most important and yet most misunderstood ideas about flexible price supports. The important feature of the flexibility of a price-support program is the flexibility among agricultural commodities, not the flexibility between agriculture and the rest of the economy.

Let me illustrate the importance of flexibility between farm products. I might facetiously say that the parity ratio between mules and dairy cattle in 1910-14 was 6 cows to 1 mule.

The parity relationship now is 1 cow to 6 mules. Think what would have happened had the relationship between mules and cows been frozen on the 1910-14 level.

We can be sure there would be a lot of mules by this time.

There are other illustrations. With fewer mules, less oats are needed, so the parity relationship on oats must change.

Introduction of new machinery has reduced production costs more on wheat than on cotton and tobacco. This fact changes the parity relationship between wheat and tobacco. Introduction of new seed and the use of fertilizer has reduced the cost of producing corn more than it has of wheat. These facts change the parity relationships between wheat and corn. A rigid 90 percent price support is a proposal to freeze the relationship among basic farm products at the 1910-14 level. This denies reality.

A flexible price-support program will change the relative prices between agricultural commodities from time to time as consumer demand changes between

products and would not necessarily change the overall relationship between farm income and nonfarm income.

Let me explain further with relation to wheat. As the supply of wheat increases the price support for wheat would decline somewhat. This would make the income from wheat somewhat less favorable than the income from alternative crops among high-cost, low-quality wheat producers, and encourage them to switch from wheat to commodities as to which the price was more favorable.

This means that our program would encourage the production of commodities that consumers want more, rather than to continue the unlimited production of commodities that consumers obviously want less.

There will be other important effects of the flexible high price-support program which will be advantageous, not only to the efficient, low-cost, high-quality wheat producers of Kansas, but to the Great Plains wheat-producing areas generally. To state them briefly, I shall list them. A flexible program will:

First. Encourage production where it is most efficient and where alternative crops are not attractive or available.

Second. Reduce the subsidies to inefficient producers outside the Wheat Belt and in foreign countries.

Third. Give the efficient farmers the opportunity to get a fair price for their products by removing unfair subsidies to inefficient competitive producers.

Fourth. Expand the domestic market for wheat and expand the export market.

Fifth. Encourage farmers to produce for the market instead of the Government.

Sixth. Return the right to produce to the efficient producer in the wheat area.

Thus the program I want to support is a program to give the maximum net income to farmers, together with a maximum freedom of opportunity to increase their incomes.

Continuing to refer to wheat, we face a prospect of a billion-bushel carryover in 1955. Every Member of this body recognizes the need to bring about an adjustment of wheat production to wheat demand. Those who favor rigid price supports favor flexible acreage.

Under their flexible acreage program, with rigid 90 percent price supports, it has been necessary to flex the wheat acreage from 69 to 55 million acres. This will reduce wheat income to farmers by 30 percent.

A high flexible price support seeks to adjust supply to demand by using flexible price, but with more moderate acreage controls. This feature gives farmers greater flexibility and opportunity in the use of their farmland to increase income from other products for which there is greater market demand.

Let me make it clear, Mr. President. In 1955 there will be a wheat acreage allotment of 55 million acres under either the rigid high price support or the flexible high price support. Let me also make clear that this has been brought about by 12 years of a rigid, high price-support program which has resulted in a 900-

million-bushel surplus now overhanging the market.

The solution to the dilemma is not to continue the program that led us into this predicament. Rather, the solution lies in guaranteeing the right to produce to those who produce at the lowest profitable prices. This area is in Kansas and the Wheat Belt.

A lowering of the price will discourage production in high-cost areas, thus allowing wheat to be grown where it can be grown with profit at low cost.

I should like to say at this point that I am particularly interested in the small farmer. I want to be sure that the program I support will protect the interests of small farmers. Rigid high price supports provide large sums for large operators, who then buy out and absorb the small operators. Mr. President, I have seen that happen many, many times in the area. So rigid high price supports are no help. Small farmers are usually diversified farmers. In order to maintain income, they need to increase the size of the business on their farms by producing cattle, chickens, pigs, eggs, milk, and so forth.

A very small part of the income on small farms comes from the basic crops. High rigid price supports do them little good directly, but rigid high price supports do the small farmer a great deal of damage and dislocation.

Rigid high price supports result in the use of diverted acres on larger farms to subsidize livestock production in competition with the small farmer, who has diversified production. This is unfair competition for the small farmer and results from rigid 90 percent price supports.

Let me illustrate. Take a farmer whose wheat allotment is cut 100 acres. The diverted 100 acres go to feed crops. To dispose of the feed crops, he turns to the production of cattle. This cattle production is subsidized by Government support payments. The legitimate cattle producers are already in a precarious position. Continuation of the rigid, high price supports threatens these legitimate livestock producers and the small farmer whose income largely depends on cattle production with Government-subsidized competition.

I stand for a program to protect the small farmer. Somehow, some way this problem must be worked out, whether we do it now or later.

I recently asked the Commodity Credit Corporation to furnish figures on major wheat, corn, and cotton loans on the 1953 crops. I was surprised, as I know many of my colleagues will be, to know what the record of the program shows.

In Kansas, my own State, the largest wheat loan was \$139,237. The second largest was \$125,193. I frankly did not realize that. Perhaps my colleagues would like to know what the average wheat loan was in Kansas. It was \$1,525. Now, in order to get an average like that, there had to be a vast number of loans of just a few hundred dollars to offset the loans going to the big operators.

In California the largest cotton loan was nearly one and a quarter million dollars. Yet the average cotton loan in

California, I am told, was \$1,731. In Missouri the largest loan was \$643,993. The average loan was only \$395.

In North Dakota the largest wheat loan was \$67,000, and the second largest, \$41,780. The average was \$2,487. I will say to the distinguished Senator from North Dakota that the large wheat producers in Kansas had greater loans on some of their wheat production.

I find myself asking, Does this program preserve and encourage the family-sized farm?

Not only am I interested in protection for the small farmer, but I am also interested in protecting the cattle ranchers, the hog producers, the milk producers, and the poultry and egg producers.

Seventy-five percent of farm income is derived from such sources. Rigid, high, price supports impose subsidized competition to producers of these important farm products. Rigid, high, price supports increase the number of diverted acres which inevitably will be used to produce feed for livestock which will compete with products of these producers.

Again I say I am in favor of a program to protect livestock producers from subsidized competition from acres diverted from basic crops, due to high, rigid, price supports.

Mr. President, these are some of the reasons why I have sided with the minority of the Agriculture Committee. We are in favor of high price supports.

Eighty to ninety percent of parity is a high price support. The difference is that we favor some flexibility in the price support, and not a rigid, high, price support that is contrary, as I view it, to a dynamic society of changing costs and demands.

Since I have heard so many serious objections to a flexible price-support program, I wish to say that, if my memory serves me correctly, former President Truman was in favor of flexible price supports. In his message on May 14, 1948, when he addressed the Congress, he said:

Now we must look ahead to a farm-price support policy geared to our improved farm economy. Many shifts in production will have to be made, and flexible price supports will help us make them in an orderly manner. This will require authority to make prompt adjustments in support levels in line with current and prospective supply and demand conditions.

It will also require flexibility in the choice of methods or programs that have been designed to be most effective for individual commodities, that avoid waste, and that help bring about needed adjustments in production, distribution, and consumption.

As I view it, it is in the best interest of the Nation as a whole that we produce as economically and as efficiently as possible. That is the road to progress, to a higher standard of living.

We produce cotton in the areas best suited to cotton. We produce tobacco in the areas best suited to tobacco. We should produce wheat where quality wheat can be raised at low cost with profit to the producer. It is not economically sound to cut back acreage in areas such as the historic, good-wheat-producing parts of Kansas, so a poorer

grade of wheat can be grown at greater cost in other parts of the country.

The situation is so pointedly expressed in the minority views of the Committee on Agriculture and Forestry that I should like to quote from them, as follows:

The efficient wheat-producing farmers that were in business in 1940 have watched with growing concern the shifting of the right to produce wheat from themselves to other farmers here in the United States as well as in foreign countries. \* \* \*

They have also seen the less efficient wheat farming areas of the country that are better adapted to other types of farming, shift to the production of wheat.

For example, they have seen Michigan expand wheat and go out of the production of dry, edible beans because the production of wheat for the Government was a more profitable venture.

Mr. President, I could mention other areas in similar manner.

I quote further:

Now that we have such a tremendous surplus supply of wheat (900 million bushels—over six times the normal amount prescribed by law) which is destroying market prices and threatening to overwhelm the farm program in a manner similar to the way it destroyed the old Federal Farm Board, serious cuts in production are being called for.

The new areas are claiming their right to produce wheat and the efficient producers in the old areas are being cut drastically.

For the most part, the efficient wheat-producing areas can produce wheat better than anything else; yet the support program has built up such surpluses that these areas are being deprived of their right to produce, while other areas which could more efficiently produce alternative crops are continuing to produce wheat, due to the high Government, incentive prices.

I quote further:

The efficient western Kansas wheat farmer along with the efficient wheat-producing farmers in other States also see that the price support program has encouraged the Canadian, Argentinian, Australian, Turkish, and other wheat farmers of the world to plunge into the production of wheat in competition with him, knowing that the wheat of the United States will be the last to find its way into the world markets.

Mr. President, we are choosing between two courses. The one I oppose denies, as I view it, the right of farmers to produce for the market on an increasing proportion of their land. The program I favor provides a guaranteed, high price support between 80 and 90 percent of parity, but with sufficient flexibility to give the farmers the maximum opportunity to use all their land to increase their income and reduce the imposition of the rigid police power of the Federal Government in carrying out controlled programs.

It is unfortunate that the Nation's primary attention has been misdirected at this time to a debate on the merits of alternative methods of reducing farm production, both of which result in reduced farm income. The difference in the level of farm income support, as between these two courses, is not great, for the objective of each is the same—namely, to adjust production to the demand.



However, the methods differ very widely in their impact on both our economic and political institutions. From that standpoint, Mr. President, debate is fully justified. However, efforts should be directed toward maintaining a high level of farm income, which is the essential part of a high level of national income.

This country cannot protect its free institutions by allowing national income to contract. The real answer lies in expanding markets for production. Expanded markets have been expressed again and again as sound economic doctrine, but little has been done to expand markets for farm products. Farm income can be maintained and increased only by increasing markets to the size of the productive capacity of American farms.

Reducing production is not the kind of answer we in Kansas look for. The hub of our problem is manifest in the accumulation of surpluses.

Wheat, cotton, corn, tobacco, fats and oils, and dairy products constitute the great bulk of the surplus farm production in which your Government and mine, Mr. President, has invested more than \$6½ billion. Many of these products cannot be absorbed into the domestic market before they either deteriorate or before their value is reduced by heavy storage costs. The cost of storing Government-owned commodities is approaching \$750,000 a day. This cost is rising, with no end in sight.

The hope for avoiding serious consequences is to find foreign markets for these surpluses and to minimize the loss on the \$6½ billion public investment. The principal hope for avoiding a very sharp drop in farm income, resulting from reducing production, is to expand the export market.

For this purpose, I originally sponsored, and was later joined by most of my colleagues on the Committee on Agriculture and Forestry in introducing the Agricultural Trade Development Act, which became law on July 10.

The export of large quantities of farm products is vital. No farm program should be accepted without a thorough consideration of its effect on foreign markets. An essential part of the farm program is the formulation of a national farm policy and a national foreign-trade policy which will facilitate the export, at profitable prices, of 4 out of 10 bushels of wheat, 4 out of 10 bags of rice, 4 out of 10 bales of cotton, 4 out of 10 bushels of soybeans, and very large amounts of other farm products.

To avoid the burden and danger of restrictive quotas, to assure healthy markets for farm products, let me repeat that we need a national farm program and a national foreign-trade policy which will facilitate the export of approximately 40 percent of the major crops, except corn, at profitable prices.

Since 1951-52 wheat exports have dropped more than one-half. One-half of the 1951 exports were given away. But we did not establish a market.

In a great wheat State like Kansas we cannot live on a domestic wheat market alone. We must have a farm program that will facilitate export. So now let

us examine the program before us from this standpoint.

A 90-percent price support on wheat is \$2.24 per bushel. The United States has a 210-million-bushel allotment under the International Wheat Agreement. Wheat-agreement prices range from a minimum of \$1.55 a bushel to \$2.05 a bushel.

Carryover stocks in the wheat-exporting countries are approximately 2 billion bushels. With this supply situation, we can expect that wheat will fall at least to the International Wheat Agreement minimum of \$1.55 a bushel. Export would then require a subsidy of approximately around 70 cents a bushel. We vitally need to gear domestic policy to export wheat at a rate of around 400 million bushels a year. But it makes no sense to build it on a subsidy from the taxpayers that would cost nearly \$300 million a year.

Mr. THYE. Mr. President, will the Senator from Kansas yield to me, in order that I may ask a question at this time?

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). Does the Senator from Kansas yield to the Senator from Minnesota?

Mr. SCHOEPEL. I am glad to yield.

Mr. THYE. If we drop the producer's price, so that wheat becomes competitive in the world market, would not that in due time have a tendency to lower the entire standard of income of the American farmer to that of the world level?

Mr. SCHOEPEL. That argument has been advanced. However, we have the troublesome situation of an oversupply and the necessity of getting rid of it. I feel that if we press for and obtain a vigorous foreign export program, it will relieve the present difficulties.

Mr. THYE. I share the conviction of the able and distinguished Senator from Kansas that we must press vigorously to develop and bring about an increased export trade.

But the other question I have in mind is this: Would there be any logic or reason to the two-price system, so that consumers in the United States would maintain a price level which for the farmers would be in keeping with the so-called standard of living, or standard of income, all other segments of our economy enjoy; and what was over and above what we could consume in the domestic market could go into the international market, to be sold at whatever price that market would pay for it? I am sure that if the domestic percentage of the Senator from Kansas, were, say, 80 percent of his crop, if he could have full parity with the rest of the Nation's economy on that 80 percent of his crop, and the other 20 percent were in surplus, the Senator would be perfectly willing to put that on the world market, whether it brought him \$1 a bushel, 75 cents a bushel, or even 50 cents a bushel. That, of course, would be the two-price philosophy.

I wonder whether the Senator from Kansas has given any thought to the two-price system which has often been advocated and which some students of economics say is our only solution, our only way out, whereby the American

farmer will receive for his products an equal share in the so-called domestic economy of the Nation. When they go into foreign trade he is perfectly willing to dump them.

The manufacturer of a tractor has such a pricing system, as I understand, and the manufacturer of a combine or the manufacturer of other implements has some such system as that. If he shipped to a foreign country he would drop the price on the shipment far below what he would charge the dealer who, in turn, was retailing to me or to the Senator, or someone else.

I wonder whether the Senator has given any thought to the two-price system. I might ask in the same breath if it would not be well for us to study the two-price system.

Mr. SCHOEPEL. I will say to the distinguished Senator from Minnesota, who has been a student of the agricultural situation for a good many years and has been a very active member of the Committee on Agriculture and Forestry—

Mr. THYE. Mr. President, if I may interrupt at that point, let me say that I have been no greater student than has the able and distinguished Senator from Kansas. Minnesota is an area of diversified farming; but Kansas, of course, is a great producer of beef, and one of the greatest wheat-producing States in the Union. Therefore I would not be able to add anything to the actual experience and understanding of agriculture which is in the possession of the distinguished Senator from Kansas. I knew the Senator before he came to the Senate. I knew him when he was the Governor of his State. There was no one who understood the farm problem any better than did the distinguished Senator. That is why I ask the question as to whether the two-price system might not be a subject for serious study.

I have heard some very good students of agricultural economy say that that is the only way the farmers can remain on a par with business people, professional people, and laboring people, who are all highly organized. If we are to maintain our standard of living, we will have to operate under a two-price system, because we must compete with Denmark's butter and New Zealand's butter. We must compete with Australia in some of its own wheat production, as well as with the Argentine. So we get to the point where we must become more serious about the idea of the two-price system. I do not want my brother in the banking business to have an easier job of maintaining his standard of living than I, who have always been classified as an agriculturalist. That is the entire argument I advance when prices are discussed. That is why I advance the question of the two-price system. I put it to the Senator because he is a student of agriculture. He is well grounded in public life and in public service. He had the opportunity to obtain a college education in his youth. He has lived close to the land. He has represented the great wheat and livestock area of Kansas.

Mr. SCHOEPEL. I have previously heard the question of the two-price sys-

tem advanced for discussion. The able Senator poses the question of whether we should not give serious consideration to it. I think it should be studied. I seriously doubt whether I know enough about it at this stage to commit a plan to writing or say what I would do or what I think about certain phases of it.

I have been told that it has some merit along certain lines, and that great administrative difficulties are involved. But I share the view of the Senator from Minnesota that the question should be studied. If we find that whatever program comes out of this session of Congress does not live up to expectations or if it does not perform as many of us hope that it will I think we should explore to the very utmost that proposal. I am sorry to say that I do not have at my fingertips the answer to the question whether a two-price system will work well enough to meet the hopeful expectation of those who advance it or whether it goes so far the other way as to operate as detrimentally as some of those who are opposed to it conceive it would.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. I am glad to yield.

Mr. AIKEN. I should like to say, after listening to my two colleagues discuss the two-price system, that I had felt that in the coming session of Congress our committee could well devote some time to the study of two-price systems—not merely one system, but all kinds of two-price systems.

Mr. SCHOEPPPEL. The Senator from Minnesota asked me whether I did not believe that the two-price system should be studied. I fully and completely agree that we should give some thought to it and that we should study it.

Mr. AIKEN. I think it is important that it be given some study. We know that Canada has a two-price system. Of course, that is quite a different system, because the Canadian Government buys and sells all the wheat. Therefore it is relatively easy to administer.

However, there are many questions related to a two-price system that must be studied. I have heard considerable criticism—perhaps it is not criticism—with respect to the weaknesses of some provisions contained in the House bill. In fact, I see some weaknesses myself. However, that does not mean that we should give up, or say that since no two-price system will work anyway, we will not bother with it. I believe we should give it some study. As my two colleagues know, we have not had extensive testimony on the question before our committee. The milling interests, who would have to pay the costs, have not had an opportunity to testify with respect to it. The exporters would be interested in giving their viewpoint. I should be interested in their views. Producers of other food grains would be very much interested. Perhaps they would fear that they might find wheat on the market at just below the cost of the price of other grains. There are a great many angles connected with the whole subject. Of course, I am not prepared to endorse a two-price system.

I think, however, that the Senate should vote on the House provisions. I understand that an amendment will be offered which will embody a two-price system for wheat. Before the bill goes to conference we ought to have an idea of the general attitude of the Senate on the question.

Mr. SCHOEPPPEL. I wish to say to the chairman of the committee that the questioning on the floor of the Senate and the thoughts which have been expressed show very definitely the need for a further study of this very important subject. As I told the distinguished Senator from Minnesota [Mr. THYE], I am not ready to commit myself on the question. It might well be that we should give serious thought, consideration, and exhaustive study to the plan and go into the various and sundry ramifications of the subject. I confess I do not know all the answers.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. SCHOEPPPEL. I am glad to yield to the Senator from Minnesota.

Mr. THYE. In a sense, through the International Wheat Agreement, by which the Federal Government subsidized the wheat which went into International Wheat Agreement shipments, we did have a two-price system, except that the Federal Government absorbed the drop in price, and it was necessary to absorb it in order that the wheat could be competitive with the wheat of the other countries and be put on the same level, so that the countries that were importing it could afford to buy it.

The other question I should like to ask is this: I have tried to determine the number of acres we would have to restrict in the event we were on an 80-percent of parity basis as compared with the number of acres by which we would have to reduce wheat production if we were on a 90-percent basis. I have tried to weigh that question to determine whether it would make any difference in the first year, or in the next 2 years, with respect to the number of acres sown to wheat, cotton, or corn, if the supports were at either 80 percent or 90 percent. Could the Senator from Kansas foresee that in 1955 a producer would be permitted to seed to wheat a greater number of acres if we were at 80 percent than if we were at 90 percent?

Mr. SCHOEPPPEL. Frankly, I do not have the figures as to wheat except those for 1955 to which I have referred in my speech, and I would not want to say that I could make a legitimate and fair guess for the next 2 years, 1956 and 1957. However, I would naturally suppose that if we had a high rigid support price, which would encourage more production, we would have a greater surplus, requiring the agricultural authorities, if they followed the law, to cut back to a greater extent on the acreage. I believe the distinguished Senator from Minnesota will agree that under either plan we shall have to restrict the acreage in 1955.

Mr. THYE. Exactly. There is no other way of getting production down, in my opinion. I thank the distinguished Senator for permitting me to ask these questions at this time.

Mr. SCHOEPPPEL. I appreciate the Senator's asking his questions.

Mr. THYE. There is no one whose agricultural thinking I respect more than I do that of the senior Senator from Kansas. He is well grounded in an understanding of agriculture because of his experience in that field. I thank the Senator.

Mr. SCHOEPPPEL. I thank the Senator from Minnesota.

Two vital requisites to producing farm products for export in world competition are to provide a quality product at competitive prices. The program of the past 12 years has encouraged the production of high yielding, inferior quality wheat that is not wanted at home or abroad. Foreign buyers know that on equal grades at equal prices they get more flour, with better baking quality per dollar, in Canadian wheat.

The first requirement of a farm program geared to the export need is to encourage the production of a quality wheat that can compete in world markets. The rigid high price support has not done this. It encourages farmers to produce for the Government and not for the market needs. Despite this encouragement in the wrong direction, Kansas grows some of the finest wheat in the world.

The second important requisite of competing in world markets is to price the product competitively. High rigid United States support prices have held an umbrella over the wheat markets of the world. Under that umbrella wheat acreage has increased from 400 million acres to 450 million acres, an increase approximately equal to the domestic wheat quotas for United States farmers in 1955.

This program has encouraged the production of wheat abroad, with which we are now unable to compete. Kansas wheat farmers are efficient low-cost wheat producers. They can out-compete the rest of the world in quality and price. So can the wheat producers of the Great Plains States, and of other States. They cannot as a whole out-compete the rest of the world if they have to carry the handicap of all the inefficient high-cost wheat-producing areas in the United States.

As I mentioned earlier, we need a permanent wheat export market in the neighborhood of 400 million bushels a year. If we are to gear our domestic policy to such an extent it must be done on the basis of efficient low-cost production. The flexible price support provides that opportunity. The 90 percenters' rigid support, with a flexible acreage program, precludes that opportunity. I am for a program which gives farmers the opportunity to increase their markets. I am against a program which forecloses that opportunity.

One important point I wish to make is that the problem the farmers face today is how to use the diverted acres for profit.

The issue is—who is going to produce the wheat?

Kansas, and the low-cost Wheat Belt, or the high-cost producing areas which shifted to wheat, only because of the high rigid price support. Continuation



of rigid 90 percent high-price support will lead to a political allocation of the right to produce wheat, as it has for cotton.

If the right to produce wheat is to be allocated politically, the Great Plains States will be outvoted and the right to produce wheat will be shared with the high-cost areas. If wheat is to be produced by those who can produce it at low cost, Kansas and the Great Plains will produce the wheat. I am for a program that gives the opportunity to produce to those who can produce efficiently.

One final word. As I have previously stated, I originally sponsored the Agricultural Trade Development Act. I was joined by most of my colleagues on the Senate Committee on Agriculture and Forestry. This act, if administered as it was intended, could well be one of the most important pieces of agricultural legislation enacted by this body in years.

Title I of this act authorizes the sale of United States products for foreign currencies under certain conditions and limitations.

The foreign currencies are to be used as a revolving fund to expand international trade and to promote balanced economic development and for other purposes.

The title "Agricultural Trade Development Act" was chosen advisedly. It was felt that there were three broad prerequisites to expand trade in farm products:

First. Adequate marketing facilities and services: These include adequate stocks to maintain continuous supply, adequate storage, processing, packaging, advertising, retail outlets, and supporting merchandising services to increase the demand for farm products.

Second. Capacity to pay for increased quantities of products: These include the increased production of strategic and critical materials and the production of goods and services which complement the economies of the United States and other friendly countries. Such increased economic activity should increase employment and individual demands.

Third. Opportunities to pay for increased quantities of products: These involve markets for expanded production, either directly to the United States, or through multilateral trade with the United States.

The act provides for the use of currencies in order to accomplish these three prerequisites for an expanded export market for farm products.

The high flexible price-support program which I support will facilitate the implementation of the Agricultural Trade Development Act of 1954. As between a high, rigid, price support, and a high flexible, price support, I cast my vote for a high flexible price support from 80 to 90 percent, which gives farmers a program in which they can earn a maximum net income in dollars, leaving them with the freedom of opportunity to use all of their farm land to increase their income.

And let me say that although wheat is now supported at 90 percent of parity,

the price for the past year has been averaging only about 82 percent. Even those farmers who place their wheat under Government loan will not get 90 percent because of the storage charge deduction.

It protects the small farmer.

It protects the livestock farmer and the ranch man.

It operates within the framework of our present economic system, and thereby protects America's great heritage of freedom.

Mr. HILL. The majority of eight members of the Senate Agriculture Committee which voted to favorably report S. 3052 has done an outstanding piece of work in its report accompanying the bill. The report refutes one after another of the claims made for flexible farm-price supports and rests the case for firm price supports on the sound rock of reason.

The report warns that reducing farm prices as well as major crop acreage at once may result in net farm income moving "well below \$10 billion to even more disastrous levels."

The majority adds:

Such a decline in farm income will be a severe blow to the Nation's economy. The recent decline in farm prices and net income is symptomatic of the agricultural dislocation that touched off the great industrial-agricultural depressions of 1920-21 and 1929-32.

The report certainly was not overstating the case when it declared that the situation is symptomatic of the situation in the twenties. The fact is that agriculture is already back in the 1920's economically. The purchasing power of farmers is little better today than it was in the midtwenties when a depressed agriculture was gnawing away our economic foundations and unwillingly leading the Nation to its worst depression.

The last issue of the monthly publication of the Department of Agriculture, Agricultural Prices, released June 30, shows that the parity ratio—the relationship of prices received by farmers to prices paid—stood at 88.

That is worse than the parity ratio in 8 of the 10 years of the twenties. Even in 1929, when the crash came, the ratio of prices received by farmers to prices paid was 92. I offer for the RECORD a table taken from the 1953 edition of Agricultural Statistics, published by USDA, showing the ratio of the index of prices received to the index of prices paid by farmers through the twenties:

1920	99
1921	80
1922	87
1923	89
1924	89
1925	95
1926	91
1927	89
1928	92
1929	92

Only in 1921 and 1922 was the ratio lower than today. In the years preceding the great depression 1923 through 1929, it stood at 89 or higher. So the June 15 index showing that farm prices in the aggregate are now running 88 percent of parity should be an economic cyclone warning to us.

Farmers today sell more units of production than in the twenties. It might be argued that their total net income on more units is better than in the twenties. But analysis does not substantiate this. The real test of the farmers' "take home" pay is purchasing power. Does the purchasing power of his present net income exceed farm purchasing power in the predepression period in the twenties?

The answer is that when farm net income in the two periods is reduced to comparative purchasing power, we find farmers this year back very close to the levels of the middle twenties.

I ask unanimous consent to have printed in the RECORD a table showing net farm income by years since 1919, the index of prices paid by farmers in those same years based on the 1910-14 average, and the purchasing power of each year's net income based on the 1910-14 dollar.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Purchasing power of net farm income, 1919 to 1954

Year	Net income (millions)	Index of prices paid (1910-14=100)	Purchasing power in millions of 1910-14 dollars
1919	9,332	197	\$4,737
1920	6,921	214	3,234
1921	3,725	155	2,403
1922	4,208	151	2,787
1923	4,951	159	3,114
1924	5,228	160	3,268
1925	6,223	164	3,795
1926	5,790	160	3,616
1927	5,766	159	3,628
1928	5,699	162	3,519
1929	6,130	160	3,831
1930	4,430	151	2,934
1931	2,829	130	2,176
1932	1,898	112	1,695
1933	2,692	109	2,470
1934	3,766	129	3,138
1935	4,500	124	3,629
1936	5,064	124	4,084
1937	5,095	131	3,889
1938	4,232	124	3,413
1939	4,261	123	3,464
1940	4,298	124	3,466
1941	6,052	133	4,550
1942	8,849	152	5,822
1943	11,540	171	6,748
1944	11,970	182	6,576
1945	12,286	190	6,466
1946	14,193	208	6,823
1947	16,774	240	6,989
1948	15,604	260	6,001
1949	13,593	251	5,416
1950	12,362	256	4,828
1951	14,644	282	5,192
1952	13,499	287	4,703
1953	12,500	279	4,480
1954	11,500	282	4,078
(a)	10,000	282	3,546
(b)	9,000	275	3,272

<sup>1</sup> Estimated.

<sup>2</sup> June 15, 1954.

<sup>3</sup> Assumed figures for comparison.

Mr. HILL. Using a stable dollar as the basis of comparison, we find that in 1952 farm purchasing power fell just below 1919. It was \$4,737,000,000 in 1919 and \$4,703,000,000 in 1952.

Last year, in 1953, purchasing power of net farm income fell another \$223 million to \$4,480,000,000. It will fall further this year. I have included in the table a calculation based on \$11.5 billion net farm income this year, which would mean a \$4 billion purchasing power in the stable dollars.

If farm income falls, as the Agriculture Committee report foresees, to \$10 billion or less, then purchasing power of

farmers will actually be under their purchasing power in some of the serious years preceding our tragic economic collapse in 1929-32.

It is almost unbelievable that in the face of this situation, with the parity ratio below most of the years in the twenties, and farm purchasing power in the same levels, there should be talk from any quarter about letting farm prices and income down gradually. I am sure our farmers found poor consolation in the reassurance in President Eisenhower's agriculture message to Congress that "in no event will there be an abrupt downward adjustment in the level of farm price supports."

We ought to be considering how farm income levels can be built back up to prevent a farm-led depression. We ought to be facing in exactly the opposite direction from that which is urged by the administration today. We ought to be seeking ways and means to add \$1 billion, \$2 billion or more to farm income to restore prosperity rather than talking about letting the farmers down easy. We ought to be concerned, not alone about whether the farmers deserve help, but about the billions of dollars and the suffering a farm depression will cost the whole Nation.

One of the greatest differences I can find in the comparable situations existing in the postwar adjustment era of the 1920's and the postwar adjustment era today is that the Secretary of Agriculture under the Republican administration in the earlier period saw the need to restore farm income—to build it up—while the Secretary of Agriculture today, backed by the President, is literally crusading to move farm prices and farm income farther and farther down.

Henry Cantwell Wallace was the Republican Secretary of Agriculture from 1921 through 1924 under President Harding. In his book *Our Debt and Duty to the Farmer*, written in that period the Republican Secretary Mr. Wallace declared that farmers must be given a fair price for their products in relation to what they have to pay. I quote him:

The waste and distress resulting from the agricultural depression have forcibly shown the need for sound long-time policy for the development of our agriculture.

The fundamental trouble with agriculture is the distorted relationship between the prices of what the farmer produces and the prices of other commodities.

Mr. Wallace wrote that the situation might be partly improved by abolishing all Government subsidies to the industrial side of the economy—tariff protection and similar aids—or that we might provide aids which would lift agriculture up to parity.

Henry Cantwell Wallace was not heeded by the Republican administration in his own day. The agricultural situation was allowed to "rock along." The McNary-Haugen bills were vetoed. Officials satisfied themselves by issuing reassuring statements that farm prices had hit bottom; that they been stabilized; the very sort of statements that are being issued today.

And then the bottom fell out. Industry and business were pulled into the de-

pression pit with agriculture, and we had violence in rural America, food lines and riots in the cities, hunger marchers and even the "battle of Anacostia," when the veterans were driven from hovels on the Anacostia flats here in Washington.

The memories of men must be short indeed when, with the farmers' parity ratio already under the parity ratio in every year from 1923 through 1929, they can propose lowering price supports during a period of acreage cuts and consider it reassuring to pledge that the downward adjustments will not be abrupt—just gradual.

After the disaster of 1929-32 we evolved the foundations of the great farm programs we have today. Price supports started low, much too low, as I shall develop in a moment. But we established a parity concept; the 1910-14 period was selected as a period in which farm prices and costs were to be regarded as a reasonably fair balance. Then we gradually raised the levels of support, as we learned that it could be done without great expense and with tremendous benefit to the whole economy. In the late thirties we were still fighting for full parity for agriculture. The concept then was for 80 or 85 percent of parity supports through the loan programs and a parity payment which would make up the difference between the loan or the market, whichever was higher, and full parity.

The war intervened. All of us know the story of the forties. Our farm programs were used as incentives to increase production. Demand held farm income high and we had an era of war prosperity, with the parity index going to 120 and above.

In the 17-year period from 1933 to 1950, when the census was taken, the status of agriculture was tremendously improved.

In 1920, 61 percent of farmer operators were owners, 1 percent were managers, and 38 percent were tenants. When the census was taken in 1930, farm ownership was down to 56.7 percent and tenancy was up to 42.4 percent. There is no way of knowing how far ownership fell in 1931 and 1932, the worst years. There was no census. Mortgage moratoriums and debt moratoriums likewise concealed the full extent of the loss of equity of men in their land. But from the recorded low in ownership of 56.7 percent in 1930 we had rebuilt farm ownership to 72 percent of operators in 1950. Tenancy had been reduced almost in half—from 42 percent to 24 percent.

A very real question we face in our action on this farm bill today is whether we want to reverse the trend—whether we want to start farm ownership and farmer equity falling again as it did in the twenties, instead of continuing to increase the stake of citizens in their farms and their homes in rural America and to build the strength of our country.

Throughout the 20 years since the farm programs were instituted, price supports have never been raised to 100 percent of parity.

Our present parity formula, based on the 1910-14 period, gives farmers something less, even when they are getting

full parity, than a fair balance with other segments of the economy.

In the period that was chosen as representing a fair balance between farmers' prices and costs the average per capita income of farmers, including the value of home-grown foodstuffs and an allowance for the value of the domicile and all other perquisites, was less than 50 percent of the average per capita income of our total population.

In the war years, when farm prices averaged as high as 122 percent of parity, farm people received only 70 percent as much per capita income as the national average.

Last year, when farmers still received better than 90 percent of parity overall, their per capita income—including homegrown foods, domicile and other perquisites—was only \$882 per capita—less than half the \$1896 per capita income of our urban population. Actually, the per capita income of the farmers did not all come from farming. The Agricultural Marketing Administration advises me that only \$615 of the total came from farming. The other \$267 was from nonfarm sources.

Even at 100 percent of parity the farmers of this Nation would not have half as much per capita income as urban citizens. Farmers are not today getting 90 percent of parity, but 88 percent. This is below the 1923-29 level preceding the depression. Farmers are confronted with acreage reduction. Yet we are debating here today whether we will continue 90 percent just 1 more year, or let the supports for basic crops slide down to a minimum of 80 or 82½ percent of parity next year and 75 percent of parity after that.

The proponents of flexible supports are busy passing out assurances to cotton State senators that with a set-aside of 3 to 4 million bales of cotton, there will be no reduction in the 90 percent level of cotton price supports next year; that cotton has nothing to fear in 1955 from flexible supports.

I want to say two things to those who offer such assurance. First, my interest in cotton is not confined to the price level next November, next year, and even through 1956. It is in all the years ahead. If flexibles are allowed to come into effect and the one time set-aside has all been made and we then have a couple of bumper yields like last year, even under acreage controls cotton price supports would be flexed downward. If it is not anticipated that cotton support levels will slide down at some time, why propose to put cotton on the flexible scale?

Second, my interests are not limited to a single commodity; they extend to the whole national welfare.

Perhaps one explanation of the advocacy of imposing the sliding scale at this critical time on our economic life is that the proponents do not seem able to see the forest for the trees. They are immersed in the technicalities of acreage shifts within agriculture; they have been frightened by a bogey bear of supposed surpluses; they are looking hopefully to a stimulation of exports; they are dealing with little problems, and cannot see



that the total problem is not just adjusting one commodity, but keeping the whole of agriculture economically healthy so the Nation will not become ill.

Even with stable prices, cotton income is down in 1954, and will decline further in 1955. Cotton acreage is down 21 percent this year as compared to last year. Last year yields were 20 percent above average. With just average yields on the 1954 acreage, even at stable 90-percent supports, farmers' income from cotton will be down 40 percent as compared with last year, a tremendous blow to our southern economy and our national economy.

Looking forward to 1955, the situation is even more serious. Cotton farmers face another cut of 10 or 12 percent in their allotments.

Such facts as these convince me that we must not look down the farm-price scale, as the Administration and a minority of the Agriculture Committee propose. We should be looking up the farm-price scale to find ways to cushion the shock of the great acreage reductions.

The producers of our basic commodities have tightened their belts, and voted time and again to make the acreage adjustments necessary to control production and hold up their end of the price-support bargain with their Government. In return, they are asking only that there not be heaped upon them a second and unnecessary income reduction by reducing their supports in the time of greatest need.

I would like to deal for a few moments with some of the claimed advantages of adopting flexible supports and letting farm prices fall gradually.

A great appeal has gone out to consumers to back the price-support cuts for the asserted reason that such cuts would lower consumer prices. This appeal, coming from the source it did, was a betrayal of the farmers.

But what is the truth about consumers getting advantage from the farmers' losses?

A shirt—a \$3.95 shirt made out of cotton—contains about 30 cents worth of cotton. That is all the farmer gets. Cutting the price of cotton 10 percent, or even 20 percent, would do great harm to the cotton farmer, but would not save the consumer enough to pay the District of Columbia sales tax on that shirt—even if the saving was actually passed along to him.

A loaf of bread, the 16-ounce loaf that costs us 16 to 20 cents here in the Nation's Capital, contains 2½ cents worth of wheat, according to Government figures. If the price of wheat is cut 25 percent it would ruin tens of thousands of farmers, but it would not be a sufficient fraction of a penny to pass along to the consumer.

There has been a great deal of ado about high feed costs which other farmers must pay. But when Secretary of Agriculture Benson was before the House Agricultural Committee, and was questioned about why he cut dairy supports when feed supports were still high, he said, in effect, "Let's not exaggerate. Corn amounts to only 5 percent of dairy costs and all feed grains to only 11 percent."

The farmers get 10 or 12 cents a quart for milk that costs 24 and 25 cents at the doorstep. If the price of corn should be driven down 25 percent, effecting a saving of one-fourth cents per quart on farmers' feed costs, and it were all passed along to the consumer, it would mean a 1-percent saving on the cost of milk to consumers.

Have food prices come down proportionately with farm prices?

The prices which consumers are paying for food are down less than 1 percent in the last 2 years, according to the Department of Labor Cost of Living Index, although farm prices have come down 13 percent. The food-cost index averaged 114.6 in 1952. In May of this year it stood at 113.3—only 1.3 down from the 1952 average. The latest cost of living index for June 1954, shows a rise of 0.5 in the food index to 113.8, leaving the decline since 1952 only 0.8, in spite of the farmers' heavy losses.

The House Committee on Agriculture has just released a report on the committee's study of the relationship of farm prices to the cost of food. The report confirms that lower farm prices have little effect upon the retail price of food. In fact, the report reveals that while farm prices have fallen, food prices have gone up. In many instances, the increases have been sharp. For example, the committee points out that while the price of wheat has declined 90 cents a bushel, or 32 percent, since January 1948, the price of bread has advanced 23 percent in the same period.

Similarly, the report points out that in the last half of 1947 the farm value of corn in a 12-ounce package of corn flakes was 4½ cents, and the average retail price was 16 cents. In the first 3 months of 1954, according to the report, the farm value of the corn in a package of corn flakes had dropped to 3 cents, but the average retail price of corn flakes had jumped to 22 cents.

The processing and distributing of foods has sponged up the farmers' losses to a very large extent. In 1945 farmers got 54 cents of the consumer dollar. Now they are getting only 44 cents. Food processors and handlers got 46 cents in 1945. Now they get 56 cents.

The United States Department of Agriculture publication on marketing and transportation for May of this year reports that a selected group of leading corporations which process agriculture commodities increased their rate of profit by 12.6 percent last year. Dollarwise, the profits of this group of processors rose from \$557,780,000 to \$628,351,000 between 1952 and 1953. In the same period the farmers' net income dropped \$1 billion.

The same report shows that the profits of 28 food chains in 1953 increased 29 percent to 12.7 percent on net investment.

These facts are not revealed in appeals to consumers to back the administration crusade for lower farm prices.

The farmers have been told that they will gain from lower prices because the consumers will buy more. The facts I have just presented illustrate the fallacy of that argument. Only a meager portion of the farmers' losses are passed

along to consumers—not enough to have an effect on sales.

We have heard conflicting arguments about the effect of lower price supports on production. We have been told at one time that lower prices will permit greater production to meet growing demand, and we have been told at other times that lower prices will reduce production—that farmers will not plant as much if prices are permitted to sag.

Mr. Don Paarlberg, Secretary Benson's economic adviser, told a Minnesota audience, in February of this year, that a 10-percent change in price results in a 2- to 3-percent change in the same direction in acreage planted to wheat or cotton.

Assuming for the moment that planting does drop 2½ percent for each 10-percent price decline, if we permitted cotton to drop to 25 cents a pound, we would get a crop of 15.2 million bales. At 20 cents a pound, we would get a crop of 14.6 million bales—far larger than our allotment goals contemplate. It would take deliberate economic ruin of the South to accomplish controls by the price device.

Finally, admitting the futility of attempting to control production by price alone, Mr. Paarlberg pointed out that acreage allotments and marketing quotas are being retained in the Benson plan. It is a combination of controls and price reductions—the "double deal"—which will achieve the desired results, Mr. Paarlberg said.

Mr. President, industrialists cut their production to maintain the prices of their products. I am sure that they would regard it as complete economic nonsense if they were told that the two should be linked together.

The incentive for farmers to accept acreage allotments and marketing quotas is to maintain their price-support levels. Controls have been voted by farmers time and again for that very purpose.

But today we are told that the concept has been all wrong in the past; that the two should be imposed on the farmers at one time. Today, in spite of the national economic dangers of further deflating the farmers, we are told that we should inaugurate this new concept of making the farmers cut acreage and accept lower prices both at once, regardless of what it does to the whole economy.

Cotton farmers do not believe that price cuts will reduce cotton acreage, but rather that they would have a tendency to cause some farmers to strain against their allotments and quotas. I am sure Mr. Paarlberg must be disappointed if he was looking for a decline in milk production resulting from Secretary Benson's lower price supports and lower prices. Production has gone up.

Mr. Bob Flautt, testifying before the House Agriculture Committee for the Mississippi Cotton Councils in Missouri, Arkansas, Tennessee, and Louisiana, on behalf of 90 percent supports, pointed out this milk situation and gave some other interesting facts. Soybean supports are down from 90 percent to 80 percent of parity this year, but the Crop Report at the time he testified indicated the farmers' intention to increase plant-

ings by 12 percent. Dry edible bean supports have been reduced from 87 to 80 percent of parity, but farmers' intentions to plant were up 14 percent. Supports on corn in noncommercial areas were dropped to 67 percent of parity, and planting intentions went up 5 to 10 percent.

Cotton farmers in our area—

Mr. Flautt summarized—

are of the opinion that the only satisfactory way to control production is by allotments and quotas.

The Benson-Paarlberg theory that lower prices will mean greater consumption was similarly demolished by Mr. Flautt. The price of raw material in cotton products, like the price of wheat in bread, is such a tiny fraction of the final retail cost, as I have already recounted, that its price affects consumption but little, if any at all.

Mr. E. D. White, Deputy Director of the Food and Agriculture Division of the Mutual Security Administration, recently reported in an address:

Lowering the price of cotton is not a very effective means to increase consumption. Last season (1952) cotton sold from 40 to 65 cents a pound, and the free world consumed about 25 million bales. This season cotton is much lower—only 30 to 35 cents a pound—but the free world is consuming only about 25 million bales. A 25 to 50 percent reduction in cotton prices—yet no increase in cotton consumption. Depressed prices are not desirable for either cotton-producing countries or cotton-consuming countries.

There is one more aspect of this matter of increased consumption I should mention. A spokesman for confectioners, during the hearings on the bill, proposed removal of the 90-percent support on peanuts. It was disclosed that a 5-cent candy bar contains about one-half cent's worth of peanuts, and it was admitted that if the confectioners got their peanuts free, it would not change the price of the 5-cent candy bar. It was argued that a few peanuts might be added.

When the weighty contention was presented that there would be a benefit to the peanut growers through increase of consumption, I regret that some member of the committee did not ask for an estimate on the number of confectioners who are going to change the size of their candy bars, the size of their wrappers, the size of their display boxes, the size of their shipping cartons, and readjust their operation, in order to give those who eat candy bars the benefit of a 1-mill reduction in the cost of peanuts by adding 3 or 4 goobers to each bar.

There is one other argument for flexibles with which I desire to deal just a moment. That is that flexibles will tend to adjust production away from farm products in surplus to those in short supply.

We know a number of commodities which need to be adjusted downward. But to what should the farmers shift? Feed grains? Dairying? Poultry? Corn?

All major products are now in ample supply. If we in the South shift from cotton to potatoes, feed grains, or vegetables we will only create burdensome supplies of commodities already in ample supply.

Flexible price supports are not an answer when all farm products are in ample supply. They will not reduce total production. They will not reduce the need for acreage controls. In fact, the Secretary himself has testified that the flexible program he advocates would not reduce the need for strict production controls in the next few years.

However one looks at them, flexible supports are ineffectual, unnecessary, and dangerous.

The final matter with which I wish to deal, Mr. President, is this matter of farm price support costs. I am deeply disturbed that the Secretary of Agriculture always mentions multibillion dollar figures when he is painting a picture of the cost of farm price supports. I am disturbed that, as the chief spokesman for the farm people in America, he has represented the cost of our farm programs as a tremendous tax burden, without putting his inflated figures in true perspective.

Our farmers and the Nation would be better served if Secretary Benson endeavored to inform the American people of such facts as we Members of the Senate and House Committees on Appropriations in their reports on the appropriation bill for the Department of Agriculture that recently passed the House and Senate. Those reports state that since 1940, agricultural appropriations have decreased 30 percent, while those for the balance of the civilian agencies of the Government have about doubled. The Senate committee report further stated that—

The committee believes it is not generally understood that all of the agricultural programs in the bill represent less than 2 percent out of each dollar requested by the President for the Government as a whole.

Our committee report showed, further, that the actual, realized losses on the basic and nonbasic commodities which received CCC price support total approximately \$1,296,000,000, and that less than \$95,000,000 of this total of losses over the entire 20-year life of the program was incurred in the support program for the six basic commodities—corn, cotton, wheat, rice, peanuts, and tobacco.

Such facts as these presented by the Senate and House Appropriations Committees contrast sharply with the multibillion dollar figures, not properly explained, which the Secretary quotes so freely now, as he did earlier this year when our committees were holding hearings on the price-support program, and when some members challenged his representations.

Mr. MORSE. Mr. President, will the Senator from Alabama yield at that point?

Mr. HILL. I yield for a question.

Mr. MORSE. Is it not true that when the Secretary of Agriculture appeared before the Senate committee many, many months ago, he left the impression, by the set of figures he submitted, that the farm-support program was costing the American people tremendous sums of money, whereas when the Senator from Alabama came to analyze the figures, he learned that the Secretary of Agriculture had included in them about everything, almost including the kitchen

sink; and in that connection the Senator from Alabama found that what the farm price-support program had actually cost the people of the United States was approximately 35 cents a person a year?

Mr. HILL. That is exactly correct. During the years we have had the farm price-support programs, the cost to the average person in the United States has been just 35 cents. I do not believe that today 35 cents would buy 2 packages of cigarettes.

Mr. MORSE. Is it not true that at that time the Senator from Alabama issued a press release in which he pointed out that fact and said, in effect, that he thought that was a very low insurance premium for the American people to pay annually for agricultural prosperity in the United States?

Mr. HILL. I did issue such a release, and I did make that statement; and it is exactly what I am trying to say here today. This insurance not only provides the farmer with the income he must have, but it is insurance to keep a stable, strong, and healthy economy in the entire Nation. So it is just about the cheapest, lowest-cost insurance of which I know.

Mr. MORSE. Mr. President, will the Senator from Alabama yield for another question?

Mr. HILL. I yield.

Mr. MORSE. Is it not true that no one in this administration has been able successfully to contradict the statement which the Senator from Alabama made some months ago of the cost to the American people of the farm program?

Mr. HILL. I think the Senator from Oregon is correct as to that. As I recall there has been no true answer to the statement made at that time.

Mr. MORSE. Mr. President, will the Senator from Alabama yield for another question?

Mr. HILL. I yield.

Mr. MORSE. Is it not true that the Senator from Montana [Mr. MANSFIELD] not long ago, in a speech delivered by him on the floor of the Senate, brought out, for the information of the American people, the fact that some American magazines receive from this administration what amount to Government subsidies, and that they are in excess of what all the dairy farmers of the Nation obtain by way of support prices, to support the dairy industry?

Mr. HILL. Yes, Mr. President; the Senator from Montana [Mr. MANSFIELD] brought that out in a very pointed and effective way; and it has never been challenged, so far as I know.

Mr. MORSE. Mr. President, will the Senator from Alabama yield for another question?

Mr. HILL. I yield.

Mr. MORSE. Is it not also true that some of the very periodicals which are taking advantage of the subsidy supplied to them by the American people, are among the leading publications which are trying to take away from the American farmer the subsidy which is needed in order to assure agricultural prosperity upon which, in the last analysis, the wage earners are so dependent for their prosperity?



Mr. HILL. Yes, they are some of the very periodicals, which, as the Senator from Oregon says, have joined in the fight to take away from the farmers the support programs, and to take away from the entire national economy the strong underpinning the farm support-price program provides for the entire economy—not only for industrial workers, the professional people, and the so-called white-collar workers, but for all the people of the United States.

Mr. MORSE. Mr. President, will the Senator from Alabama yield for a further question?

Mr. HILL. I yield.

Mr. MORSE. Is it not also true that some of those periodicals are *Life*, *Time*, and *Fortune*, which we know are included among the so-called Luce publications?

Mr. HILL. Yes; and they are very "loose," I may say, in the figures they use in regard to these farm programs.

Mr. President, I once believed it would be impossible to throw into the debate any new figures on farm price-support costs. We have had stated to us everything from \$95 million, as the cost of support for the basics in 20 years; \$1.2 billion, for all direct supports; and up to \$7.5 billion, \$13.5 billion, and even \$16 billion.

But I was mistaken in thinking that at that point the last figure had been submitted, for on July 3, speaking at the dedication of the Port Isabel-Padre Island Causeway, at Port Isabel, Tex., Secretary Benson came forth with a brandnew figure. On that occasion, the Secretary said:

You may have been told that over the past 21 years, price supports on the basics have cost only a million dollars a year. The facts are that price and income support programs on the basics have averaged about \$218 million a year. Currently they are running above that figure.

This brand new figure, when multiplied out, amounts to \$4,578,000,000. There is no explanation of where it came from, of what it is composed—nothing more than I have just read.

The setting for the launching of this new figure seemed to me especially appropriate: The dedication of a causeway into a great gulf. The Secretary has built a causeway of his own—a bridge of figures which leaves those who follow it alarmed and completely at sea.

I regard the Secretary's use of multi-billion-dollar figures without adequate explanation—or without placing them in true perspective—a disservice to both agriculture and our Nation. As the venerable statesman, Bernard Baruch, declared:

Every man has a right to his own opinion, but no man has a right to be wrong in his facts.

Farm programs cost money, Mr. President. Business aids—as just now suggested by the Senator from Oregon—cost money. We provide both to assure a sound and growing economy.

The House Committee on Agriculture has published a study showing that the Government has paid out \$40 billion in business reconversion payments in the postwar period. This is  $2\frac{1}{2}$  times the

cost of every conceivable expense that could be charged to agriculture—consumer subsidies, school lunch, and everything else included—over the past 20 years.

Mr. MORSE. Mr. President, will the Senator from Alabama yield for a further question?

Mr. HILL. I yield, for a question, to my friend, the distinguished junior Senator from Oregon.

Mr. MORSE. Is it not true that accelerated depreciation programs for the benefit of American big-business constitute, in fact, a subsidy paid by the taxpayers, in the sense that the saving of the interest on the loans amounts to a subsidy to big business, and that subsidy really comes out of the pockets of the American taxpayers?

Mr. HILL. Yes, it is a direct subsidy from the pockets of the American taxpayers.

Mr. MORSE. Has the Senator from Alabama heard anyone in the Eisenhower administration talk about that program as creeping socialism?

Mr. HILL. Oh, no. It is ratified, confirmed, and held up as a good example of what should be done.

Mr. MORSE. It is held up as a good example of private enterprise, is it not?

Mr. HILL. That is correct.

Mr. MORSE. In other words, if handouts are given to American big business, that is private enterprise; but if support is given to the American farmer, in order that he may be able to help sustain a prosperous economy in the Nation, that is creeping socialism.

Mr. HILL. I thank the Senator from Oregon.

Mr. President, our owned food and fiber stocks are under \$3 billion worth. We have loans outstanding of another \$3 million. The House committee study shows we have \$129 billion worth of military materiel and a \$6 billion stockpile of metals and other vital materials. The agricultural stockpile is comparatively very small, indeed.

And what will be the costs of a depression? How many billions of dollars will be lost if a depressed agriculture leads us again into a national economic decline?

Mr. President, southern farmers, western farmers, and northern farmers have, in the past, repeatedly demonstrated their willingness to cooperate with their neighbors and with their Government in all acreage-allotment and marketing-quota requirements.

The wheat farmers did so on July 23, although they do not know whether they are going to get 90 percent support, 82½ percent support, 80 percent or 75 percent.

The farmers are having to make deep reductions in acreage and therefore in farm income. Let us not force hard-pressed farmers to take a cut in both acreage allotments and prices at the same time. Let us not give them the double deal.

Let us not pile a price cut on their backs that is unnecessary, ineffectual in achieving any of our needs, and economically dangerous.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HILL. I yield to my distinguished friend from Oregon.

Mr. MORSE. I was very much interested in the phrase the Senator used, "Let us not give them the double deal."

Does the Senator agree with me that it is about time also to stop the double-talk of this administration, such as was participated in during the 1952 campaign, when in speech after speech the Republican candidate unquestionably pledged himself to 90 percent of parity or more?

Mr. HILL. The Senator is correct. Not only in connection with agriculture were there promises which are now being repudiated with reference to agriculture, but promises were made and broken in connection with other segments of our economy, promises affecting many millions of people besides those to be found among our farmers.

We have a reconversion problem that is quite serious, but one that will not cost a tiny fraction of the expense of business reconversion in recent years. We need to look at the problem in relation to the whole economy.

We need to handle surpluses and maintain and rebuild farm income. Agricultural production is already being cut. New efforts should be directed toward expanding consumption.

We took a very constructive step a few days ago when we approved the Agricultural Trade Development and Assistance Act. That was an important and affirmative action. It will help in dealing with the whole agricultural problem. It will help to avoid the necessity of shrinking farm production by whatever amount of demand it stimulates. I hope that it will be administered aggressively and constructively. It can do a great deal of good beyond agriculture in winning and holding foreign allies.

Other constructive steps should be taken.

One such constructive proposal has been neglected by this Congress—the proposed investigation and study of producer-consumer price spreads. If the farmer-distributor shares of the consumer dollar could be brought back to the 1945 level, retail prices would fall sufficiently to stimulate increased demand and increased consumption.

The pressing national need today is to bolster farm income, not force it further down under the levels of the twenties, the levels of those days, which threw us into the great depression.

It is indeed a tragedy that we are today being urged to reverse our momentum toward a "fair balance" for agriculture—a fight that was foreseen and called essential in the twenties by a Republican Secretary of Agriculture. We should be considering ways and means by which that "fair balance" will be not just a hope but a realization.

It is indeed a tragedy that instead of meeting today to consider and vote on measures to move agriculture forward and strengthen farm income in these critical times and to give strength and support to the Nation's economy, we are fighting to hold the line, striving to prevent an action that would cancel out past gains.

## THE ATOMIC-ENERGY BILL

Mr. MORSE. Mr. President, it has been very interesting to note how so much of the American press, which is, by and large, reactionary, has attempted to give the impression through its editorial pages that the American people are not in sympathy with those of us in the Senate who have been fighting the Eisenhower administration's atomic-energy power-bill giveaway and the Eisenhower administration walkout on its campaign promises to the farmers of America. If one would rely upon the editorials of much of the Republican press of the country for an evaluation of public opinion on the sorry legislative record that the Eisenhower administration has made to date, he would become a victim of the false political propaganda of the alibing Republican press of the country. Fortunately, American newspaper readers generally have come to realize how untrustworthy so much of the American press has become, both in its editorial policies and in presenting both sides of highly controversial legislative issues, such as the debates on the atomic-energy power bill, the farm bill, and the other major legislative issues that have been debated during the 83d Congress.

For example, my mail shows that many people appreciated the fact that a group of us made a fight in opposition to the atomic-energy power bill, because it focused attention on the bill and forced the newspapers to at least give some space to the substance of our arguments against the bill. It also gave the public time to look into the issue and express reaction of the people to the Members of the Congress.

It is also interesting to note from my mail that many people realized that the prolonged debates which a group of us conducted on the atomic energy bill were primarily responsible for favorable action on a series of amendments which we succeeded in having adopted in the Senate. They know there is no doubt about the fact that if the atomic energy bill had been steamrollered through the Senate in the short period of time which was originally scheduled for its discussion, it would have gone to conference with few, if any, of the amendments which were adopted in the Senate.

It is also interesting to note from much of the correspondence that Senators have received on the atomic energy bill fight that many people found that the best coverage on the merits of the debate over the bill was given to them by radio and TV.

There were notable exceptions, of course. Some of the best stories went into the substance of our arguments against various sections of the atomic energy bill. However, many of the people who have written to us have pointed out that their local newspapers played up the floor strategy and tactics of the prolonged debate rather than the merits of the substantive arguments we made against the bill. However, there is no doubt about the fact that as one reads the correspondence we have received that even though many of the newspaper stories were related to the tactics

employed in the debate, such stories did have the beneficial effect of focusing attention on the atomic energy bill and caused many of the readers to ask such questions as: "I wonder what is the matter with this bill?" "Why are these Senators fighting this bill?" "Maybe we should dig into this issue and see what the Eisenhower administration is up to now."

For such newspaper service of alerting the public, I think we are all indebted to the American press, even though the prevailing editorial policy during the debate was to attack and abuse those of us who ran up the signal flags of warning as to what the bill would do to the heritage of the American people in the field of atomic energy power.

I have no doubt that if newspaper policy were left to the members of the working press who sit in the Senate press gallery, a much more informative report on the issues and on the substantive nature of the arguments we made would have been printed in the newspapers and would have formed the basis for the underlying principles of the editorials which were written.

Just as in the case of the atomic energy bill fight, also in the case of consideration of the Eisenhower farm bill, we find a large segment of the Republican press engaging in a program of misrepresentation and political propaganda against those of us who believe that a violation of campaign promises to the American farmers constitutes a betrayal of the public trust. My mail shows increasing critical reaction on the part of many people against the press and against the Eisenhower administration over such a propaganda program. As evidence of the fact, Mr. President, that many Americans are not being taken in and misled by newspaper propaganda support of the Eisenhower administration, and that many people are giving their enthusiastic support to those of us who are insisting upon full debate on the merits of the national issues which have been and still are before this session of Congress. I ask unanimous consent to have printed at this point in my remarks some typical letters that I have received on the subject matter as discussed in this brief speech.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

TOLEDO, OREG., August 2, 1954.

The Honorable WAYNE L. MORSE,  
United States Senator,  
Washington, D. C.

DEAR SENATOR: I wish to comment on the fine work you are doing and the fight in the struggle during these hectic times.

Excellent stand you took on the MCCARTHY hearing. I read it with great satisfaction. You have many friends—one in particular Richard Anderson, lawyer, Newport—son to Glen Anderson, Portland—who supplies the nicest smile, when we discuss your issues.

The Oregon people are very fortunate to be so ably represented by a capable statesman—for a great State.

The newspapers and peoples column are active in discussing your problems.

Your fine work was mentioned to me, in a letter received from the honorable J. E. MURRAY, senior Senator from Montana, my home State. He is admiring your spirit and ability in the effort you put forth. I have

known Senator MURRAY for many years, and his sincerity is appreciated by those who know of him.

Good luck and the best wishes for your future—in gratitude for your effort.

Most sincerely yours,

ELIZABETH ROACH,  
Teacher, Third Grade During 1953-54.

CHICAGO, ILL., August 4, 1954.

HELLO SENATOR MORSE: Have just finished reading your report of July 30. Although you may have addressed empty seats at 3:45 a. m., your efforts were appreciated.

Am enclosing a tearsheet from our neighborhood paper. You will be pleased, I'm sure, to know there are some people aware and appreciative of what you and a few others are trying to do.

Cordially,

MAURY KESLER.

WAIMANALO, OAHU, T. H.

HON. WAYNE MORSE,  
United States Senator from Oregon, Senate Office Building, Washington, D. C.

DEAR SENATOR MORSE: I have been following with keen interest the administration's AEC bill through Congress, and especially the recent filibuster in which a group of valiant Senators (you among the most valiant) endeavored to forestall the perversion of atomic power from control by the people into the hands of private industry. One of the most vicious parts of the administration's bill had to do with their attempt to destroy TVA. While I am not one of the people of the TVA power-service area, I am an American citizen and so feel that I have been indirectly betrayed by those who are attempting to destroy one of the greatest acts of a government for its people ever attempted.

The whole AEC program is a betrayal and I rejoiced at the efforts, although unsuccessful, of you and the other Senators to defeat it through the filibuster. Some day, Americans will recognize and proclaim you as the real heroes of our time. In the meantime, I urge you to continue working to salvage everything possible of atomic energy and TVA for the people and against Wall Street and the private interests.

Yours sincerely,

R. E. GIBSON.

OREGON STATE FARMERS UNION,  
Salem, Oreg., August 3, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: Realizing the danger of farm legislation not receiving proper attention in these last days of the session and the program of price supports going by default, we urge your immediate assistance.

I'm sure our thinking on the farm program is on record with you and there would be little need of taking your time in further explanation.

While we regret the necessity of filibusters, as I am sure you do, we want to commend your efforts in the defense of the public interest in the matter of atomic energy. In the time that ensued much valuable and enlightening information came to the people and will not quickly be forgotten.

Oregon with its increasing population needing new jobs—its heavy agricultural production and waterpower potential has a great deal at stake, much of which seems imperiled by proposed methods of administration not, in our opinion, in the best public interest.

We want to express our appreciation of your vigorous efforts in defense of those policies that mean the best benefits to the most people.

Very sincerely yours,

HARLEY LIBBY,  
President.



COOS BAY, OREG., August 1, 1954.

DEAR SIR: I have been wanting to write you for quite some time and let you know that my wife and I are very proud of the fine job you are doing.

We would like to know if there is anything we can do to help you in your work.

Sincerely,

WAYNE JACKSON.

ENTERPRISE, OREG., July 30, 1954.

The Honorable Senator WAYNE MORSE,  
Senate Office Building, Washington, D. C.

DEAR SENATOR MORSE: Enclosed is a rather trite article by Raymond Moley which appeared in the Oregon Journal. Now I know where he stands politically, and such trash does not bother me in the least. However, I am wondering how this might affect less-informed voters?

If you find time, you may desire to answer this article.

As for me, more power to you. It's too bad we don't have more Senators that know a little about what's going on. It seems that poor old Moley is jealous because his intellect and learning has not given him even a basic vocabulary of an intellectual.

Yours truly,

BERTON M. BAILEY.

ORDNANCE, OREG., July 22, 1954.

Senator WAYNE MORSE,  
Senate Building,  
Washington, D. C.

DEAR WAYNE: Thank you so very much for mailing me your bulletin of each week's Senate activity. I follow them very closely and sincerely appreciate your watchdog attitude in the current wave of giveaway legislation. Your report under the date of July 16, 1954, was of particular interest to me.

First, your reference to the 160-acre limitation attack. I was spawned during the settlement of the West under the old Cary Act, and am well aware of the dangers of land grab tactics in areas under development. Second, the reference of the Hoover Commission rape on the public power policies has been brought home so suddenly that the full import has not yet been realized by the public. With the very recent abolition of 600-plus civil-service career jobs in the Bonneville Power Administration, that agency has been crippled to the extent that it cannot function. The impact of this move will be felt stronger here than in any other section of the country.

Last night I had the privilege of hearing Dick Neuberger speak in Pendleton. He stressed the very issues you are fighting a losing battle over in Washington. After listening to him, one left with the feeling that our birthright was being threatened; and I firmly believe that it is in danger.

In my life span I have seen and experienced major changes in the United States. When I was a youngster I lived in a great cattle and sheep country in Idaho. My folks were oldtimers and big operators in the livestock industry. They believed in the rights of the free range on public domain. In competition with other stockmen we rushed to that public domain to get there first with the greatest number of animals. You well know the result of a few years of this practice, the grasslands and forests were denuded of vegetation and the watershed underwent the ravages of erosion. My ancestors screamed like gutshot panthers when that reactionary character, Teddy Roosevelt, created the national forest reserves and laid down regulatory grazing laws. The Bliss family did not go broke over the deal, but the lands were saved for my use today and for my grandchildren's use tomorrow.

Many years later the last of the public domain was put under restrictions by the Taylor Grazing Act. The same cry went up

that the Government had gone socialistic. However, the results are very obvious in the few short years since its enactment.

I, who had lived my early years under the heel of the Idaho power, saw public power come into being. First in Idaho, where it had great amounts of opposition, and could not make the progress it has in Oregon and Washington. Had the private-power interests in Idaho spent the money on development of agriculture that it did in fighting rural electrification, that State would be many years ahead of its present agricultural program. I have seen agriculture develop slowly and new farms made by sheer human strength, sweat, and blisters in the State of Idaho, with 120,000-volt power lines of the Idaho power going right by the door of the laboring homesteader. He went to bed and got up by the light of a kerosene lamp. He was never assisted by electricity to pump water to his dusty acres. On the other hand, I witnessed the same breed of homesteader at Moses Lake, Wash., develop a paying farm in one season by merely pressing a button. He hardly raised a sweat and did not own a single blister. Public power was delivered to his property before he had the rust polished off the moldboard of his plow. He had lights and electric heat in his tarpaper shack the day he moved in to go to work. When his land was seeded public power furnished the energy to force the water through his pipes and distribute it to his thirsty land.

Now do I live to see this 50 years of slow progress wiped clean by the greed of money hungry and power crazy individuals? I appreciate what you are doing to prevent just this thing happening. But, dammit, there are not enough men like you that have the courage to slug it out with those who would turn our forests back to the sheep and the loggers, crowd out the little farm family and put us all to the mercy of monopolistic private utilities corporations.

Believe me, we are going to make a supreme effort to send to you some replacements to help you hold the line. I believe that this is the time for the voters of this State to take over and exercise their power to regulate national policy. We will attempt to send you men who will work with you and aid you in carrying the load.

I am sure that you are making friends every day in the way you are voting and by the way you are reporting to us your problems of the week in your bulletin. Carry on, Wayne, and we in eastern Oregon will do our best to get help to you. I also wish to thank you for your splendid response to our plea for help in the recent change of command at the Umatilla Ordnance Depot. I read with great interest the report of your finding that you mailed it to Lee Quiring.

With best personal regards, I remain

Sincerely yours,

BUD  
D. W. Bliss.

STAYTON, OREG., July 19, 1954.

DEAR SENATOR MORSE: Congratulations for your stand against giving atomic energy to private companies. It is Senators like you who are constantly striving to maintain a proper balance of power that are subject to attacks and ridicule by those who would have private ownership overrule the basic principle of equality and fairness.

I am enclosing an editorial published in the Wednesday, July 14, edition of the Capital Journal. In my opinion, this editorial represents the thinking of asinine and unrealistic individuals. Some parts are plainly stupid. I am also sending the editor of the editorial a letter, letting him know that I, for one, do not agree with his thinking.

I take this opportunity to thank you for the personal attention that has been given to my letters. I assure you that it is appre-

ciated and noteworthy, as you no doubt have a very rigid and heavy schedule.

Yours very truly,

NESTOR VAN HANDEL.

COOS BAY TIMES,  
Coos Bay and North Bend, Oreg.,  
July 28, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR WAYNE: I am today writing an editorial praising you and your colleagues who led the good fight on the atomic energy bill. You will perhaps see it later, but I wanted to add a personal word of thanks.

I don't like filibusters and in an earlier editorial said so. This is one case where I can't let my desires get in the way of my principles. I think my principles were decided on filibusters when the Dixiecrats used them against civil rights legislation. But I recognize there is a difference between filibusters which merely try to kill legislation and those which have some positive action in view. The big talk on the atomic energy bill seemed more like the latter and I think the results obtained were superb in view of the opposition's strength.

I think, incidentally, that in addition to doing a great service to the country that you stand to gain politically for your action. I believe the American people has an uncommon amount of good sense and will react well toward those who look out for their interests. I only wish that I could gain as much support for my forthright statements as you do for yours.

Things politically are looking better in Oregon, I feel. I hope you will be through this area in the fall so that I can chat with you again.

Cordially,

(Mrs.) ULLA E. BAUERS,  
Executive Editor.

DENVER, COLO.

DEAR SENATOR: Heard you on Youth Wants To Know. Great.

You know, sir, you have the brains it takes to be our President; as a "D" that is.

C. H. RUDEEN.

NEW YORK CITY, July 25, 1954.

DEAR SENATOR MORSE: It was good (and good for Americans) to hear your voice on Frank Edwards' program the other evening, and to hear a note of hopefulness and success in spite of the tiredness you must feel. It is a satisfactory fight, with the people becoming aware of what you are fighting for and not a lone fight, as some of yours have been.

I wrote at the time you left your party because of principles. I see, I mentioned that at some time—on another Frank Edwards program, or at New York Town Hall before election. You predicted some realignment in parties. I wish you and Stevenson could get a new party started, getting rid of the old groups in parties that drag and seldom help and collect the people interested in the welfare of the people.

The man next to me at Town Hall that Sunday said you should be President some day, and that he had told you so once. He must be saying the same thing these days. I would add that no better American could be found.

Sincerely,

MARITJE BABCOCK.

LOS ANGELES, CALIF., July 25, 1954.  
Hon. WAYNE MORSE,  
United States Senator,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR: Just because I am living pro tempora in California doesn't mean I

have forgotten Oregon; forgotten WAYNE MORSE, nor am unmindful of the yeoman job you are doing for us people who are compelled to make a living. I want to thank you. Incidentally I enjoyed your appearance yesterday on TV when you handled yourself magnificently with the youngsters who will be the leaders of tomorrow. It was inspiring.

Now, Senator, in case you have forgotten who I am—and you probably have. I was manager of the tourist department of the Portland Chamber of Commerce for 5 years, the only admitted Democrat on the staff.

May I, with Mrs. Wells at my side, repeat, "Good fortune to you in your fight for the things we as Americans don't want to lose—individual freedom, natural resources, the right to differ and yet not suffer therefor, etc., etc." And to CLAN MORSE, whom we have admired at a distance, may we add "Good health, happiness, and the will to succeed." Thanks.

Sincerely,

A. BANCROFT WELLS.

BEDFORD, IND., July 25, 1954.

Hon. WAYNE MORSE,

Senate Office Building, Washington, D. C.

DEAR SENATOR MORSE: This is in appreciation of your appearance on Youth Wants To Know last evening. Having been on a vacation, I have not paid much attention to the filibuster, but now have my interest stimulated. However, reasonable as your points in this regard were, there was a more interesting part: that in regard to what you would recommend doing with the surplus wheat, etc.

Ever since reading about how it costs us half-a-million dollars a day to store it (and I went back and rechecked to be sure it was that much) i. e., since realizing the enormity of the food surplus, I have been hoping and praying that some of the minds of the country could work out a plan whereby some of the hungry people of the world could have some of it. Your plan sounds good, and will be listening for more about it.

Also, your filibuster tactics seem warranted and hope the right legislation is obtained as the result, which seems to be avoidance of a monopoly in this regard.

Yours very truly,

ESTHER DOWNEY.

ROCHESTER, PA.

DEAR SENATOR MORSE: Verna and I eagerly took in every word of Youth Wants To Know which came over KDKA yesterday at 2:30 p. m. eastern daylight time. Very, very good.

It's a sin Senator, that with your grasp of our problems and the right answers those with so little to offer are calling the shots. It can't, must not always be that way.

America's great—the world's great have always stood alone—and above.

Friday at work I heard something that made by heart feel warm with love and pride that you've been able to reach the understanding of some of our less fortunate fellows. An old laborer came to me saying, "Les, that Senator 'Norse' [he reads but not too well] he's a good man." I said, "Yes, buddy, he's a really good man, but what brings this up?" "Well, he's always fightin' them big shots who try to kick us around."

"In other words buddy, he's always with what's good for the country as against what is bad."

"Yeah," he said, "that's what I mean."

Faithfully yours,

LESTER.

MIDDLEPORT, N. Y., July 27, 1954.

Senator WAYNE MORSE,

Senate Office Building,

Washington, D. C.

DEAR SENATOR MORSE: I am a secretary at the University of Buffalo and have for many months and years watched with exceeding interest the current events of the day.

About a month ago my sister and I were in Washington and stopped at your office hoping to see you, but unfortunately we missed you. I have heard you many times on Frank Edwards' program.

I want to express my appreciation and support of the stand you are taking against the private monopolies who are out to control not only the atomic-energy program but all publicly owned interests in our country. I am sending along the headline and story from today's Buffalo Evening News. The way current events are written up in the papers and reported on radio and television it is barely possible for people to know much about what is really going on. I felt this before, but it became much, much clearer while we were in Washington, for we spent 2 days watching the Senate debate the tax bill. Very, very little of what we heard is ever seen or heard on the air or in the papers. In the instance of this clipping, the headline immediately misleads, creates the impression that you are the cause of discord, and, among those who don't understand the facts, creates resentment against you. How far from the truth this really is.

Last Saturday we saw you on the TV program, Youth Wants To Know. You set forth very well the facts of the atomic-bill issue, and what I have always felt was the true way things are. It is wonderful to see and hear someone standing up against the powerful, greedy private interests in this country. Even if you and your supporters are in the minority, I hope you will never give in or up to the power machines that seek to rule us all. In the final analysis you will be greatly blessed for the stand for truth and decency; the stand to help the poor to have a fuller and better life.

If you can find a moment in the near future, I should very much like to hear from you. God bless you, Senator MORSE.

Sincerely yours,

ELAINE TRIPPENSEE.

MILWAUKIE, OREG., July 25, 1954.

Senator MORSE,

Washington, D. C.

DEAR SENATOR: I for one among the majority public, am with you on this atom giveaway. A praise for your hard fight, and hope you can beat it and will get good investment on your farm.

They know they have got to get through this session because they wouldn't have a show next session.

Thank you.

FRED FORSLUND.

INTERNATIONAL UNION OF ELECTRICAL,  
RADIO, AND MACHINE WORKERS,  
Washington, D. C., July 28, 1954.

The Honorable WAYNE MORSE,  
Senate Office Building,

Washington, D. C.

DEAR SENATOR MORSE: I want to express to you my appreciation for your courageous and tireless efforts to alert the American people to the giveaway features of the atomic-energy bill which passed the Senate last night.

If it had not been for the small band of liberals who stood up to the steamroller tactics of the majority leader, the Senate would never have agreed to those safeguarding amendments written into the bill during the past week. The American people are indebted to you and your colleagues who against the most trying circumstances fought to protect the public interest.

Sincerely yours,

JIM

James B. Carey,  
President.

PORTLAND, OREG., July 23, 1954.

DEAR SENATOR: After several years of supporting your struggle in the Senate by vote and argument, I have decided to write to you. I am just trying to add my moral sup-

port to your present attempt to bring the President's AEC program into public light. It is too bad that the Morning Oregonian doesn't explain this program in the three columns on the front page. This morning instead of talking in circles about filibustering, recess, etc.

Well, best of luck. Pardon the pen.

CHARLES HEALEY.

JULY 23, 1954.

DEAR SENATOR MORSE: We are so proud of you, in your fight to defeat the giveaway in the atomic deal and are with you in spirit—all the way.

Hope you can endure all the loss of sleep and fatigue, for we surely need a courageous champion of the people back there. We realize you are the leader in all the movements for our general good—and do hope you can stem this tide of giveaway in this administration.

We wish to thank you for your monthly letters and also other important data which you send us from time to time. Please keep us on your mailing list.

As we told you at the Medford Democratic dinner, "Thank God for WAYNE MORSE," and we reiterate that constantly.

Most sincerely,

Mr. and Mrs. CARL W. PETERSON.

ASHLAND, OREG.

BORING, OREG.

Mr. MORSE: Hogs pass over the Great Divide every day, and they're not all from the Chicago stockyards. An unusually large number of them are from this administration's House and Senate at Washington, D. C. Who sheds a tear of regret?

I admire and respect you for the courageous fight you are making against these terrific odds for the best interests of all the people and posterity.

Seemingly you may lose, but ultimately you are bound to win. Our Creator will see to that.

Millions of citizens and the number is growing.

GUY G. LAKE.

PORTLAND, OREG., July 27, 1954.

DEAR SENATOR MORSE: Just a brief word to again reiterate my confidence in, and admiration for you. You may need a few words of appreciation at this time.

I am in full sympathy with your maximum efforts to fight monopoly and try to keep public power for the people. I don't know what it will take to teach the American people that actually you are one of its greatest champions, but if man survives long enough to have a history, I am sure your name will be recorded as one of our greater Senators.

Your present courageous (and in a sense, serene, in the reflection of your certainty that what you are doing is the only right thing for an honest, God loving man) stand has firming my intention that whenever your name is mentioned, I am calmly and firmly going to state that I am for you.

I wish I could express it more eloquently, but when it's all boiled down, there isn't anything more to say. I'm for MORSE because I recognize that he is for me, a consumer. It is my sincerest hope that despite the one-sided press, more and more people in our State will begin to see through the smokescreens and realize this same truth.

No answer to this letter is necessary.

Yours very sincerely,

CARL E. WEBER.

LOS ANGELES, CALIF., July 27, 1954.

DEAR SENATOR MORSE: Enclosed is an article which should be read before the Senate before it is too late.

Your profound admirer,

Mrs. SARAH KANTOR.



PALOS VERDES ESTATES, CALIF., July 26, 1954.  
HON. WAYNE MORSE,  
Washington, D. C.

DEAR SIR: This telegram I have just sent to you:

"Do not lessen but rather increase Tennessee Valley Authority."

I judge from the reports which come over by radio that this request is not needed as to you, but you may well know that there are those who consider TVA perhaps the best example of what should be done elsewhere not only in this country but especially in the parts of the world where waterpower is going to waste. To be brief, it is a shame that the present administration is not disposed to give due recognition to the wonderful results of the TVA management from Morgan to Clapp (who should have been reappointed), results in raising the standard of living in the whole valley, and more than repaying the Federal Treasury for all it paid out, in services rendered.

Interestedly,

CLARENCE H. LEE.

GLASGOW, KY., July 25, 1954.

To the Honorable WAYNE MORSE,  
Senator from Oregon.

DEAR SIR: I wish that politics was like professional baseball. I would then want to trade with the State of Oregon. But God bless you. We are for you all the time. Stay with them till Hades freezes over and then skate on the ice.

GEO. S. CRAIG.

DOBBS FERRY, N. Y., July 24, 1954.

DEAR SENATOR MORSE: May I add my words of encouragement to your stand on the AEC bill. I agree wholeheartedly that this is the most significant legislation of the session. The fight must start now so the Democratic Party, despite its own mossbacks, can return to power without the severe handicap of a Republican giveaway in this vital field.

Your stand on all issues is mighty important to me and my wife. More power to you and the good sense of the independent voters of Oregon.

Sincerely,

MILTON P. KAYLE.

NEW YORK CITY, July 25, 1954.

DEAR SENATOR MORSE: I salute your courage and noble struggle in Senate and those of your colleagues who fearlessly defend the public interests and resources of the United States commonwealth against the reactionaries; arrogant, predatory, vested power interests; money kings and their allies in Senate and Government. Indeed a prompt halt must come to the wholesale giveaway of public properties and natural resources of the United States commonwealth by the Eisenhower administration to vested and big business interests. Stand fast, honorable sir. The people will not forget.

Respectfully yours,

EUSTON PARRIS.

P. S.—World humanity awaits United States Government backing of a Big Five parley on outlawing atomic and hydrogen bombs, conventional war weapons, napalm (gasoline) bombs, etc., atomic and hydrogen bomb tests periling lives of millions and ending atomic and hydrogen bomb production now. Also a big power parley on German unity and Korean unity questions.

Peace-loving world humanity demands a seat for people's China in the United Nations and vast free world trade now.

Urge United States Government and Congress act on depression affecting millions.

PHILADELPHIA, PA., July 26, 1954.

HON. WAYNE MORSE,

United States Senate,

Washington, D. C.

DEAR SENATOR MORSE: It is with deep regret that I note the attitude of the Eisenhower administration to force through the atomic energy giveaway act.

My view of this matter is that their actions are manifestations of desperation.

I am sure the debate belongs in the coming campaign so the voters can have a chance to judge both sides as this is vitally important to the American people.

Senator, I doubt very much that the Government has any great amount of fissionable material available for the purposes of the act. In short, I feel it is a vote-catching "pie in the sky" proposal to usher in utopia for the people. Hence the monkey business. To give any foreign country any of these data sounds shocking today.

Regrettably the special interests—always seeking favors in the market place—do not have a good record. Before action is taken, the people should be thoroughly informed on every angle. With FHA scandals ringing in our ears, now comes this giveaway plan. I really think they need a psychiatrist, because they are playing with TNT and we may all be hurt. It seems to me they are counting on the well-known gullibility of the American public. But they may get fooled. Don't give up the ship.

Sincerely,

THOMAS H. GARVIN.

ELSMERE, DELMAR, N. Y., July 25, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: At the time of this writing, your marathon, sentence-by-sentence rebuttal of the atomic-energy bill, has not yet begun. But you have announced it for delivery tomorrow, and, in view of your undisputed reputation in this field, that is a promise, or a threat, not to be taken lightly. I should like to get in under the wire with a prediction that this time you will attempt to speak around the clock, a full 24 hours' worth. Unless you are going to save such a feat for some future occasion, such as the wiretapping proposal, raising the debt limit, or one of your other pet aversions. Ever since your prodigious effort against the tidelands giveaway last year I have had a hunch you would be determined to break your own record.

You have admitted that this fight you are engaged in constitutes a filibuster, although your associates still maintain it is merely a process of education. I don't know whether a filibuster to prevent a loaded bill like this from being rammed through is any more justifiable than one blocking passage of civil rights legislation, but I do appreciate the distinction between this and the Dixiecrat type of filibuster.

Leaving the form aside and concentrating on the content, I do believe that the public, while it could probably never fully understand the meanings of all the intricate provisions of the bill, now has a far greater realization of the enormity of what is at stake. Through the unremitting efforts of you and your colleagues, this momentous issue has been given the front-page attention it deserves, and I think that on the whole the news reporting media have done a very fair job in presenting your side of the case. (Of course, editorials, commentaries, etc., are a different matter; you would be very amused, for instance, at Fulton Lewis' interpretation of the whole thing.) And, while it seems that the administration will be able to put over that, shall we say, very questionable deal involving the Dixon-Yates concern, your forces have won significant victories in the approval of the Johnson and Gillette amendments. I am still hoping that you will succeed in knocking the controversial features out of this bill, so that the committee and Congress may have more time to study and analyze their far-reaching implications.

I am not going to commiserate too much with you over the grueling ordeal of the past week, because I suspect you were having the time of your life. I can see how there could be a lot of excitement and fun in a

filibuster like this, and an atmosphere reminiscent of schoolboy adventure. Nevertheless, it must have been an arduous experience for all concerned. I realize that you are the iron horse of the Senate, as you have demonstrated on more than one occasion. However, even iron horses have a breaking point, so just be careful you don't have to be carted off the floor on a stretcher.

Even your severest critic could not deny that you are a most indomitable fighter. And I am proud and grateful to have you fighting so indefatigably in the interest of the American people, of whom I am one.

Sincerely yours,

CHARLOTTE BRAUN.

Greetings and good luck.

NILS CARKEN.

EUGENE, OREG.

NEW YORK, July 25, 1954.

Senator WAYNE MORSE,  
Washington, D. C.

DEAR SIR: I am not interested in creeping socialism, virulent socialism, or rampant socialism, but I am very conscious of the fact that the citizens of the United States have been taxed to the extent of \$12 billion for atomic experiments and that all of our atomic knowledge and resources are the property of the American people, consequently the Government does not have the moral right to give these resources away.

I am also deeply conscious of the fact that this country is in debt to the extent of \$275 billion, that nothing is being done to reduce this debt and that neither the Republican Party nor the Democratic Party has shown that it ever will or can be paid off.

If you believe that private industry should be permitted to use atomic power, why not provide a licensing arrangement whereby such industries would be charged a moderate royalty or fee, based upon the horsepower or kilowatts of atomic power used. Such a plan should include a provision that all revenue from this source must be applied to the national debt. It would insure rapid development of atomic power without the Government being thrown into competition with private industry, keep these resources within the hands of the people, and give them an income which would eventually pay off or materially reduce the national debt.

Respectfully,

ERNEST BUSENBARK.

IOWA CITY, IOWA., July 29, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR: I appreciate the efforts you have been making in the Senate to keep the American people from being robbed. With this awful giveaway that is going on in this administration, the people of this Nation are just beginning to see the light of day, and it has been through the efforts of you and other Senators including our own Senator GILLETTE who have caused the people to stop, look, and listen, and I am sure they are waking up to the facts.

We would like very much to have you come to Iowa City and speak for Senator GILLETTE in this campaign and Senator GILLETTE told me in Des Moines last Tuesday that he would see you when he got back to Washington.

Best regards,

JOE F. CRUMLEY,  
Democratic Central Committee for  
Johnson County.

WILKES-BARRE, PA.

DEAR WAYNE: I want to write you and admire your fight along with HUMPHREY and LISTER HILL. But, you can be sure I'm letting those politicians down there know about the big-business handouts, taxes plus the oil lands, and TVA to private interest where

they can rob us and steal out our eyes. That's all these Republicans ever done. I've seen you a number of times on TV and heard you on radio and I'm a staunch admirer of you and your interest in the American people. WAYNE, its time to join great Americans like JOHN MCCORMACK, Democrat, of Massachusetts, LISTER HILL, HUMPHREY, DOUGLAS, and form an American Party. Take the good men from both parties and get us a good American party.

Never give up WAYNE, we love you.  
JOHN NOVICH.

PALO ALTO, CALIF., August 1, 1954.

DEAR SENATOR MORSE: I saw you on Youth Wants To Know.

Please know that I feel tremendously grateful to you and reassured that there are honest, intelligent, sincere Senators representing the people.

It just made me feel so good to see a good man.

Keep up the magnificent work.  
Respectfully and sincerely,  
NORMAN ZELLNER.

LOS ANGELES, CALIF.

Hon. Senator MORSE,  
Senate Office Building,  
Washington, D. C.

HONORABLE SIR: Please accept my sincere admiration and thanks in your brilliant and courageous effort to defeat the atomic-energy bill. Although you may not have the support of most of the legislators in the Senate, the majority of the American people are with you in protecting our natural resources. We need more men of conscience like you.

Sincerely,  
MRS. LYNN SAMUELS.  
STOCKTON, CALIF.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

MY DEAR SENATOR: Please allow me to extend my thanks to you for the debate on the atomic bill. Keep up the good fight for the little fellow and don't let them give everything away to the big boys.

Yours truly,  
E. C. LANDON.

BURBANK, CALIF., July 28, 1954.

Senator WAYNE MORSE,  
Washington, D. C.

DEAR SENATOR: May I offer a sincere personal expression of the gratitude I believe many Americans all over the country feel for the courageous and tireless effort you recently put forth in attempting to block the fantastic atomic giveaway program of the Eisenhower administration.

Though your efforts failed, still much good was done in throwing the spotlight upon the undesirable features of the bill in order that the people may see the intentions of the present administration in its true perspective, devoid of the meaningless clichés and slogans of the recent campaigns.

Many of us regard you as the conscience of the United States Senate and hope and pray that you may continue to serve this country in that capacity for many years.

Most sincerely yours,  
ROBERT C. MACY, D. O.

EL CENTRO, CALIF., July 26, 1954.

Senator WAYNE MORSE,  
Oregon, Washington, D. C.

DEAR SENATOR: You and your colleagues are to be commended for the valiant fight that you have again put up on the giveaway power to the power monopolies, and by your effort you can rest assured that you have cost the present administration many votes and, along with the many other mistakes such as the McCarthy hearings, price supports, etc., Ike and his big-business co-

horts deserve and will be badly beaten in the fall elections, as too many people are and have been awakened.

Sincerely,  
E. J. ARROWS.

ASHBY, MINN., July 31, 1954.

Senator WAYNE MORSE,  
Washington, D. C.

DEAR MR. MORSE: Congratulations on your recent fight against Ike's atomic energy bill. I have gotten a big kick out of watching your political battles in our Congress and I've come to the conclusion that we should have more Independents, like you, in Washington, D. C. It is what the people of this country need if the interests of public welfare are to be served, rather than the interests of the millionaires.

Of course, we here in Minnesota are proud of our representatives in the United States Senate—especially Senator HUBERT H. HUMPHREY, who, I take it, is also one of your good friends.

The majority of the farmers here in the upper Northwest are up in the air over Ike's forgotten "crusade" promises, and also over the flexible farm policies of both Ike and Benson, if they succeed in giving the farmers such a raw deal. Dairy farmers in northern Minnesota, and everywhere for that matter, are already feeling the severe pinch placed upon them April 1.

Right now I have a copy of the Wednesday, July 28, issue of Minneapolis Morning Tribune before me, showing Senator MORSE emerging from Capitol wiping sweat from his brow. Also saved picture of you sleeping on Senate cloakroom cot after the recent marathon speech. Hope you will be able to continue your good work in our Congress for many more terms. America needs men of courage, such as you and our own Senator HUMPHREY.

With best wishes for the future and deep gratitude for all that you have done, I remain, in all humility,

Your sincere admirer,  
MRS. ALMA S. JOHNSON.

JOHNSON CITY, TENN., July 29, 1954.

DEAR SENATOR MORSE: Thank you for your good fight in the interest of the people on the atomic energy bill. Your priceless amendments have made it an infinitely better bill.

Sincerely,  
MR. and MRS. PRESTON HILDEBRAND.

LOS ANGELES, CALIF., July 28, 1954.

DEAR SENATOR MORSE: It was certainly a gallant fight that you and HOLIFIELD and the others put up against the President's atomic energy bill. Though the bill won, yet I am sure that it was in a sense a victory for us—since the fight and the filibuster dramatized the tendency of the present maladministration to drag us into war and to sell out the people's interests to private, greedy forces.

More power to you. Every such effort helps to awaken the American people to what is really happening—and must add up eventually to a change of administration and for the better.

Incidentally, I heard your radio interview with some professor on a book he had written on the direct primary, and I was delighted with your convincing, straightforward, and helpful defense of democracy and the intelligence of the people—in contrast to his petty sniping about vote getters and his snobbish intellectualism.

Sincerely,  
MILDRED ROGERS.

LOS ANGELES, July 31, 1954.

Hon. WAYNE MORSE,  
Senator of Oregon,  
Washington, D. C.

DEAR SENATOR MORSE: The feelings of my heart in thanks appreciation and well

wishes goes out to you for your valiant and strenuous efforts in order to counteract the giving away to big private corporations the most fruitful of all developed powers financed in a general way through taxes by the people of the United States.

You and the ones who sought to protect the interest of the people in general have done well and with all my heart I thank each and every one of those valiant gentlemen for their unselfish efforts in trying to protect the national stockholders of the atomic power for which no one should pay tribute.

If at all possible please mail me a copy of the bill for as per the enclosure you can see that the controlled press is no champion of justice.

Warmly, I thank you again and ask God to bless and protect you in your efforts.

Very sincerely yours,  
ARTHUR BAUS.

REMUS, MICH., July 30, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SIR: As president of the Millbrook Local of the Michigan Farmers Union, I've been asked to let you know that we appreciate the fight you and others are making in behalf of Mr. and Mrs. America to save atomic energy for the good of all.

Would that the world had more of your kind.

Keep up the good work. We're for you.  
Sincerely,

ALBERT L. WERNETTE,  
President of Millbrook Local, Remus, Mich.

WHARTON, TEX., July 30, 1954.

Senator WAYNE B. MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: Please let me thank you for sending me the weekly news bulletins showing part of news of proceedings in Congress. I find them very beneficial.

Let me commend you for the courageous effort that you are making to defend the public interest and preserve some of the proceeds of atomic energy and power for the public who have expended some \$12 billion to develop this power.

With best wishes, I am,  
Sincerely your friend,  
EDWIN HAWES, Jr.

SPOKANE, WASH., July 27, 1954.

Senator WAYNE MORSE,  
Washington, D. C.

DEAR SENATOR MORSE: I want to thank you for the superhuman effort you made to stop passage of the atomic-energy bill. I appreciate the changes you were able to get made but of course the most important ones were defeated.

Perhaps something can still be salvaged. Keep up the good work, next year you will have more help.

Sincerely yours,  
FLORENCE W. MCCANNON.

An Independent voter—I used to be a Democrat.

GLENDAL, CALIF., July 29, 1954.

Senator WAYNE MORSE,  
Washington, D. C.

DEAR SENATOR MORSE: Thank you for trying to save the atom power project for us, it certainly was a shame that you were not given better support.

This is surely a give-it-away administration. Thank goodness there are a few like you to put up fight.

Sincerely yours,  
MRS. CAMILLE MCOSHAN.



THE POTTENGER SANATORIUM AND CLINIC,  
Monrovia, Calif., July 29, 1954.  
Hon. WAYNE L. MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: I want you to count my wife and me among the many Americans who appreciated the effort you made to preserve the Government's control of private power. This is one of the things that has bothered for a long time a group who think they are the only ones favorable to private enterprise.

Private industry is perfectly willing to let the Government do the expensive things if it will let them reap the results of it. From the time they started the protective tariff they have been willing to accept anything except those things which are for the general good of the masses. It is all right for the protective tariff to aid industry, but it is all wrong for the Government to promote social security, old-age retirement, and other things that would aid the lower income group. This group really make themselves believe that anything for the lower group is socialism. Anything for the upper group is for all.

Your stand is a commendable one. More power to you.

Sincerely yours,

F. M. POTTENGER, M. D.

NATIONAL RURAL ELECTRIC  
COOPERATIVE ASSOCIATION,  
Centerville, Tenn., August 2, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: We want to express our sincere appreciation to you for the fine work that you have done in our behalf with regard to the atomic energy bill. We feel that you were almost fully responsible for bringing to the attention of the other Members of the Senate the magnitude of this bill. We feel that this is one of the most important bills since the TVA bill was presented and approved.

We know that we speak the sentiments of all of the people in the Tennessee Valley area, and in their behalf we say "thank you."

Sincerely yours,

P. H. TIDWELL,  
Tennessee Director, NRECA.

BAIROIL, WYO., July 27, 1954.

DEAR SENATOR MORSE: Just a card of "thanks" from one of the underdogs. Take care of yourself.

May God bless you.

Yours truly,

MELVIN KNOTT.

St. Louis, Mo., July 29, 1954.

Senator W. MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: I hope you will forgive my not providing a more expensive papyrus and my sorry typing but I thought you would like to see the comments of what I consider one of your more sorry critics.

If you will allow a suggestion from me I should say that you must continue as you have in the past. Moley's remarks, in my opinion, attempt to be judicial but border on the near side of a disparaging criticism. So far as I am concerned, all criticism should be constructive, else such called criticism is not worthy of the name.

I wish to thank you for your efforts on behalf of the common welfare in regard to the recent atomic power legislation before the Senate. Believe me your sacrifice is gratefully noted here among quite a few people.

It might be a waste of time for you to read Moley's remarks. But in a larger sense, it is a compliment. Moley has said little about what you have done and stood for. Thus, it

seems a case of the unmentioned being the best elements. (I would question the investment in time and labor were you to give Moley your philosophy, political, social, economic and otherwise.)

The courage you have displayed in standing by your convictions has set quite an example for many of us. In spite of the enclosure, please know that many people out this way are convinced of your integrity, honesty and good purpose.

Cordially,

EDWARD S. RUCKER.

COTTAGE GROVE, OREG., July 25, 1954.

Hon. WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SIR: This morning I picked up my mail at the post office and then came here to my office, where it is quiet, to sit and think.

Anyway, after I got to the office, in my mail I found your Senator MORSE Reports, No. 14, dated July 16, 1954. Immediately I began to think about the fine work you are doing in Washington for the people of this country and the great courage you display, in the face of overwhelming obstacles, in standing up and speaking out for the principles which you believe to be right.

I graduated from the law school of the University of Minnesota in June 1936. For a very short period of time (September 1942 to May 1943) I was on the law-school faculty as librarian. I recalled the month of February 1943, where at a faculty luncheon, there being present, among others, Dean Everett Fraser, Profs. Henry Rottschaefer, Maynard Pirsig (now dean of the law school), and Henry McClintock, your name came up. At that time you were, I believe, on leave from the University of Oregon law school with the War Labor Board. Dean Fraser mentioned that you graduated from the University of Minnesota law school in the middle twenties and that no student during his tenure as professor and dean of the law school had surpassed your record. He said you were a man to watch and that he believed you were "presidential timber."

In May 1943 I left the law school to become a special agent of the Federal Bureau of Investigation where I served until May 1946, at which time I resigned, moved to Oregon, and became a member of the bar here in September 1946, after examination in July of that year.

Since coming to Oregon I have heard much about you.

There is no doubt that you have enemies here. But you also have many friends who believe and trust you. It takes some enemies to make good friends.

There comes a time when a man is entitled to a sincere word of encouragement. You possess thinking and speaking talents that you must continue to use as you are now doing. You must not let the unkind and uncalled for things that are said about you deter you from making known to the world what you feel is right and proper. Your grasp of the problems confronting our people today is firmer than that of most of your colleagues in the Senate. Anyone who took the time to read your speech before the Senate on the wiretapping proposal of Attorney General Brownell cannot help but realize that you do have the interest of our people at heart.

If there comes a time when I might be of service to you, please feel free to call upon me.

God be with you.

Respectfully and sincerely yours,

RICHARD L. THWING.

PAROWAN, UTAH.

Senator MORSE.

DEAR SIR: We, the undersigned, support you in your effort to curb monopoly control of our natural resources—atomic power, etc.

A. Carson, Nell West, Walter Green, Olive Guymon, Wm. Penson, Olive Carroll, T. Thornton, T. F. Day, Ed Gunnison, Miles Heaton, Hubert West, E. Kaywood, Mr. and Mrs. E. Stephens, Alice Brice, L. Brown, Mr. and Mrs. Clark Gleason, Ella Lister, Mr. and Mrs. Fred Dolson, John Minton, Fred Orton, Mr. and Mrs. F. Fowler, Clay Parker, Nell Olds, Wilson Larson, Edmond Row, Jess Watts, O. Robenson, Winston Orson, Laura Clark, Ralph Hart, Albert Miller, Maud Whitney, Betty Wilks, Fay Matson, Mary Gleak, T. Muson, E. Leone, Tom O. White, Milton Gurr, all of southern Utah.

TOPEKA, KANS., July 31, 1954.

Hon. WAYNE MORSE,  
Washington, D. C.

MY DEAR SIR: I just want to express my thoughts about the wonderful way you expended your energy on the atomic energy bill. The people of this country owe you and your fellow Senators who engaged in the filibuster a lot of thanks.

I believe I am on your mailing list for speeches you make and I am always interested in your views on the many current issues.

With best wishes.

Sincerely,

JAMES A. HAMLER, JR.

MILL VALLEY, CALIF., July 28, 1954.

DEAR SENATOR MORSE: Although I am not your constituent, I feel that you and the men associated with you deserve the thanks of all the American people whose rights you were striving to protect.

It is my earnest hope that you will speak out as strongly against the repressive legislation sponsored by Attorney General Brownell.

Sincerely,

Mrs. FLORENCE HEYMAN.

MEMPHIS, TENN.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: If every Tennessee citizen who appreciates your efforts in the TVA fight would take time off to say "thank you," the weight of the letters would break down your desk.

All of us consider you an honorable man who votes his convictions instead of adhering to straight party-line ideas. It is sad that all Senators are not that conscientious, and sad that there are not more WAYNE MORSE's to be spread around the Nation, instead of rubber-stamp politicians.

You fellows left a wedge in the TVA case, and the fight isn't lost yet.

You have certainly earned our utmost respect. Again, we say, thank you.

Sincerely,

Mrs. GLENN BARGER.

DALY CITY, CALIF., July 28, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR: I want merely to add my applause to that which I am sure you could hear from a majority of the people of this country for your action in opposing the power lobby and the administration in their giveaway program on the atomic and public power issues of the day.

You, sir, give me a feeling of real pride in the knowledge that there are still men who, in the face of overwhelming odds against them, are still willing to stand up and shout the truth to the people.

As one who once wrote a master's thesis on Federal Government Regulation of the Power Industry Under the New Deal, I can well appreciate the problem under contro-

versy, and the fight you and some of your colleagues are waging.

More applause from a California voter.

Very truly yours,

D. L. DILBECK.

—  
GLENDALE, CALIF., July 31, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: This letter is just to let you know that I, like millions of other citizens throughout the country, have great admiration for your courageous conduct in the Senate. Your stands on such issues as the TVA giveaway, tidelands oil, etc., have been heartening to all liberals. The fact that such ultraconservative forces as Time, Inc., are going out of their way to smear you is proof of your effectiveness.

Keep up the good fight. When reelection time comes, you may count on the strong support of progressive people from all parts of the country. I shall be glad to give mine.

Very truly yours,

Bo H. JANSEN.

—  
LOS ANGELES, CALIF., July 27, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: We have watched with great interest the developments affecting the administration's atomic-energy bill, and would like to add our voice to the support of the position you and other Senators have taken with regard to this measure.

We admire your clear thinking in this matter, and hope that there are enough Representatives in Congress who have a similar concern for the interests of the Nation as a whole.

Sincerely,

Mr. and Mrs. JERRY SULTZER.

—  
THE LEADER,

Bismarck, N. Dak., August 2, 1954.

Hon. WAYNE LYMAN MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: This letter is prompted by something I read a few minutes ago in the New Republic: that the volume of mail generated by the true liberals' stand on the atomic-TVA giveaway was rather disappointing.

I want you to know that out here there are just a lot of people like myself who followed the battle with more than casual interest but were too lazy to wire or write. If at times you tend to be discouraged, please remember that your magnificent stand impressed the thinking people of this Nation more deeply than it may seem at first glance.

Sincerely yours,

BILL SIMONS  
K. William Simons.

—  
PORTLAND, OREG., July 26, 1954.

Hon. WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR WAYNE: Congratulations on your atomic-energy fight.

The odd thing to me is that the Oregonian has been completely silent on the subject; apparently they know darned well you are right but are afraid to say so. The Journal came out with an editorial on Friday which was half-heartedly in your favor. In other words, they said they would give it further study.

If you need the editorial I will get it for you but you probably have it by now.

Best personal regards.

Sincerely,

JIM  
James Landye.

UNITED STATES SENATE,

Washington, D. C., July 28, 1954.

Hon. WAYNE MORSE,

United States Senate, Washington, D. C.

DEAR SENATOR MORSE: Now that the great debate is over—for a few months—I just want to add one more letter of thanks and congratulation to your files.

The staff that works for you must surely be the proudest on Capitol Hill.

Sincerely,

BEN REEVES,

Assistant to Senator Kefauver.

—  
CONGRESS OF INDUSTRIAL  
ORGANIZATIONS,

Washington, D. C., July 26, 1954.

Hon. WAYNE MORSE,

United States Senator,

Senate Office Building,

Washington, D. C.

DEAR SENATOR MORSE: I want to thank you for your inspiring fight for our atomic future.

As I told Rod McLeish, I had long wanted to meet you. I can think of no better meeting than to sit in the gallery and watch the battle develop, as it did, when you took the floor to raise our spirit and hope. You called it a filibuster. On that one point I would disagree with you. It was the raw stuff of democracy. For all its resemblance to the mating dance of the pigeon; for all its ritualistic verbiage surrounded by heavy adjectives, the struggle on the Senate floor had a clean sense of dedication and gallantry.

At this writing, there is some doubt the liberal group will carry the day, but the conflict retains its significance. Young men, like myself, were spoiled by the long years of Roosevelt. We quickly lost the sense of what it means to fight as a minority. Thank you for cutting deep into the apathy that marks our times more than cynicism.

Sincerely yours,

JULES WEINBERG.

—  
INTERNATIONAL ASSOCIATION  
OF MACHINISTS,

MOUNT HOOD LODGE, No. 1005,  
Portland, Oreg., July 26, 1954.

Senator WAYNE MORSE,

Senate Office Building, Washington, D. C.

DEAR SIR and BROTHER: We wish to convey our heartiest and warmest regards of nearly 2,000 members of the auto mechanics. Thank God for men of your caliber. Keep up the good work. We read with interest your Senator Morse Reports.

Sincerely yours,

RALPH F. KAUFMAN,

Financial Secretary.

—  
UMATILLA ELECTRIC

COOPERATIVE ASSOCIATION,

Hermiston, Oreg., July 26, 1954.

Senator WAYNE MORSE,

Senate Office Building,

Washington, D. C.

DEAR SENATOR MORSE: I wish to take this opportunity to congratulate you upon the issuance of your mimeograph reports. Of course, we read the headlines of the news and a great many of the articles and would be remiss if we were not to express our appreciation to you for the effort which you are making currently in representing our interests at a time and place which it would be almost impossible for us to appear. As you know, through Clyde Ellis of NRECA and others of our local organizations, we feel very strongly about some of the issues which are at stake at the present time. It is very difficult for us to keep abreast of all the activities which are being taken both in our behalf and against our particular interests. We feel very grateful, therefore, for your strenuous efforts and wish to take this opportunity to express our support both for you personally and the issues which you are endeavoring to safeguard.

It seems in these days of turmoil that some individuals are confused and unable to evaluate the basic principles involved in some of these problems or they are interested in tearing apart those democratic principles which have made our country great. Of course, we are interested in the public versus private power issue and the solution which will determine whether or not our type of organizations will be able to survive. We, in this particular project and in a number of others in the State of Oregon, have made notable financial success to date in our operations to serve people, who otherwise would have had little or no electric service at this time; however, very few of us, as you know, are able to go into the problem of power generation for the relatively small volume which we require because of the prohibitive cost on a small volume basis. The Federal power program, therefore, has been a boon to our type of organization and has allowed us to operate as efficiently as would other larger organizations in providing our wholesale power supply. Anything, therefore, that tends to make the cost of our wholesale power prohibitive to economical service tends to strangle the people of our country as far as electric service is concerned.

I should like you to consider me a servant in this cause and in your own personal career as well as in solving the larger problems which are coming before us this fall. I admit I am unable to ride horses, but that need not interfere with your activities of that type.

Kindest personal regards,

R. L. WOOLLEY,  
Manager.

—  
STEVENSON, ALA., August 2, 1954.

Senator WAYNE MORSE,  
Washington, D. C.

DEAR SIR: Recently, after listening to a political speech, I heard a man make this remark: "There is a man in the Senate who votes this way; if it's good for the people, WAYNE MORSE is for it—if it's against the people, WAYNE MORSE is against it."

I am an employee of the TVA working here on a construction job. The first dollar an hour I ever made in my life was from the TVA. May it be the Lord's will that we never have another nightmare like the Tennessee Electric Power Co.

God bless you and may you have a long, successful life in the United States Senate.

Respectfully,

W. O. JENNINGS.

—  
SACRAMENTO HEARING AID CENTER,  
Sacramento, Calif., August 3, 1954.

DEAR SENATOR MORSE: Please excuse the undoubtedly incorrect method of addressing you.

I had the pleasure of seeing and hearing you on the youth program televised Sunday afternoon. It was the first time in my life (36) that I was so impressed that I felt I should write you and tell you how much I liked your sincerity and what you had to say.

I have been one of those lax people that have never read enough or took the time to understand laws and the problems, etc., that every citizen should. Lately having just got television here (approximately 1 year) in Sacramento, I've tried to catch all of the forums possible and you are the very first that has made a very favorable impression.

May God bless your good work and you and yours. I hope that you don't feel that this is improper, but again I felt that one should voice their opinion especially to people that are doing such an important work as yours. I wish that I was a resident in Oregon so that I could vote for you and encourage others to see how lucky they were in having your representation.

Sincerely,

JOHN C. KINSTLER.



SAN FRANCISCO, July 28, 1954.  
 Senator WAYNE MORSE,  
 Senate Office Building,  
 Washington, D. C.

DEAR SIR: As one of the Americans and taxpayers for whom you put up the magnificent fight against the gigantic atomic giveaway, I thank you for your great effort. Would that we had more men of your caliber in Congress who look out for the welfare of the people.

Sincerely,

CARRIE FRIEDMAN.

SUNNYSIDE, WASH., July 31, 1954.

DEAR SENATOR MORSE: I want to thank you for your gallant stand in the interests of the American people in opposing Ike's atomic steal and for much other work that you are doing; Hells Canyon and other self-help measures. Senator MORSE we are very proud of you.

Thank you so much again.

Very truly,

H. H. ELLIOTT.

TACOMA, WASH., July 31, 1954.

Senator WAYNE MORSE,  
 Senate Office Building,  
 Washington, D. C.

DEAR SIR: I wish to extend my thanks and congratulations for your terrific efforts in opposing the administration's giveaway to private utility monopolies, our atomic energy heritage, which we as taxpayers paid to develop. I sincerely hope you and your colleagues keep up the fight.

JOHN C. MIGDULA.

FLORENCE, ALA., August 1, 1954.

DEAR SENATOR MORSE: Just a few words to add my voice to the many who admire and appreciate you for the wonderful stand you have made against the giveaway of our natural resources and public power by the administration and President which is being done for the benefit of so few people. It should have been used to educate our children as was suggested by Senator HILL.

Please continue your fight. Maybe something can yet be salvaged.

Sincerely,

W. H. FLIPPO.

P. S.—Enclosed is an article by Othman. I like it a lot. W. H. P.

ARLINGTON, VA., August 4, 1954.

Senator WAYNE MORSE,  
 Senate Office Building,  
 Washington, D. C.

DEAR SENATOR: Heartiest congratulations to you on your crusade against the administration's giveaway power bill. It is good to know that the American taxpayers have a friend like you in the Senate. I hope that you and such Senators as SPARKMAN, HILL, and DOUGLAS will continue to fight against the giveaway program of the Eisenhower administration.

I voted Republican in 1952 but will never do so again. It is too bad so many misled voters such as I fell for Candidate Eisenhower's campaign pledges. We will know better when we go to the polls this November.

Please continue your fight for the American way of life.

Sincerely,

GEORGE M. NAYLOR.

HEBRON, ILL., July 30, 1954.

Senator WAYNE MORSE,  
 Washington, D. C.

DEAR SENATOR MORSE: As a rule I feel that the practice of speaking at length to hold up votes in the Senate is unfortunate and that in the past southern Congressmen have used this practice for unfair bargaining. But allow me to extend to you my personal thanks for your valiant efforts to keep our

country and its citizens from being robbed blind. I am rather pessimistic toward the present administration and feel that the American people are not through feeling the effects of big business taking them for a ride. At least through your efforts the people shouldn't be quite so blind.

It is interesting in how few newspapers one could find what each Senator's vote was on the atomic bill you opposed. Under such conditions it is difficult for the average citizen to know whether he is being fairly represented. The sad point is that big business interests don't seem to know how far to go—the average Joe was refused a greater exemption on his income tax—corporations given a reduction in tax—corporations given easier depreciation terms and utilities presented with giveaways. But you know all this, and you also know that this is shortsighted capitalism, leading to lower purchasing power by the mass consumer, with all of its unfortunate results. The trickle-down theory isn't being supported by reports of unemployment over the country but corporate reports on the financial pages hardly makes readers' hearts bleed. The fact that there are a few million unemployed in the country also makes for more willing and less troublesome employed workers who not only will abstain from higher wage demands but will accept wage cuts.

I am not only offering my gratitude to you for your present work but I have been happy over your constant attempts to improve democracy. I was fortunate to hear you speak in person at Northwestern University in 1948 and felt at that time that you dealt squarely with issues and not in political platitudes.

Would it be possible for me to receive a copy of the atomic bill you opposed in its original form (S. 3690) before some slight improvements were made by amendments?

Sincerely yours,

STEPHEN STOKOFF.

ARLINGTON, VA., July 28, 1954.

Senator WAYNE MORSE,  
 Washington, D. C.

HONORABLE SENATOR MORSE: I want you to know that you have many in these north Virginia counties who congratulate you on your stand on Tidelands oil and the recent atomic-energy giveaway bill.

I am glad we still have a few men who stand for the people.

Sincerely,

ESSA E. SMITH.

LOS ANGELES, CALIF., July 29, 1954.

HON. WAYNE MORSE,  
 Senate Office Building,  
 Washington, D. C.

Thanks for your hard work in behalf of the people even though you could not get support in fighting the atom giveaway bill. Better luck next time, but keep up the good work.

Thanks again and best of luck.

MRS. ANNE E. O'CONNOR.

THE PLAINS, VA., July 30, 1954.

MY DEAR SENATOR MORSE: May God prosper the magnificent defense you people are making in behalf of the people against the greed, selfishness, and merciless exploitation of private interests. Unless we rebuild our righteous lives our country is doomed.

Truly yours,

FLOYD TURNER.

BURLINGTON, N. C., August 2, 1954.  
 Senator MORSE,  
 United States Senate,  
 Washington, D. C.

DEAR SENATOR: Here comes a bouquet of roses, from where you probably would never expect one.

Seriously, I have read the CONGRESSIONAL RECORD most every day of this session. Time after time, I find myself admiring the stand you take, often in the face of tremendous odds. So, I know you must be a man with convictions. What we need are more men like you who are interested more in our country's welfare and less interested in politics for politics sake. I recall, in particular, the speech you made on the revision of the Atomic Energy Act of 1946; that was quite a talk, long, oh, brother; but all through it, it remained interesting and you retained your humor all the way. (And it was a giveaway.)

Now, I know for a fact that I am a southern Democrat, and since I admire you it is possible that you are leaning?

Thanks again for your good work. Good luck and God bless you and yours.

Sincerely,

HENRY C. ANDREWS, JR.

NEW YORK, N. Y., August 2, 1954.

Senator WAYNE MORSE,  
 Senate Office Building,  
 Washington, D. C.

Fight for your ideas on the atomic bill. I think it is S. 3690. President Eisenhower is ill advised. Am sorry he has not been advised that bill should be revised.

Good luck.

WM. BRADFORD.

LOS ANGELES, CALIF., July 29, 1954.

Senator WAYNE MORSE,  
 Senate Office Building,  
 Washington, D. C.

DEAR SENATOR: You are certainly doing a great job with regard to the bill on atomic energy. You have our wholehearted support. Let us put it this way—we thank you for doing such a tremendous job for the American people with so little support from other Senators. Please continue to hold firm.

Respectfully,

Mr. and Mrs. RALPH MORRIS.

CRESTLINE, OHIO, August 2, 1954.

Senator WAYNE MORSE,  
 United States Senate,  
 Washington, D. C.

HONORABLE SIR: Just a great big thank you for your courageous stand and efforts against the evils of the commonly called atomic bill and the many good things you have stood for in your senatorial office. Our hope is that you may have many years in that office to keep on fighting for the little fellow who after all is an American. And I hope that the voters of Oregon reward you accordingly.

Very sincerely,

J. L. NELAN.

RIVERSIDE, CALIF., August 2, 1954.

Senator WAYNE MORSE,  
 Washington, D. C.

DEAR SIR: I appreciate your fine work in connection with the AEC legislation.

Yours truly,

MRS. SHIRLEY CONGER.

DETROIT, MICH., August 3, 1954.

Senator WAYNE MORSE,  
 Senate Office Building,  
 Washington, D. C.

DEAR SIR: We wish to thank you very much for your work on TVA.

NELLIE POOLE.  
 E. POOLE.

CIVIL AIR PATROL,  
 Los Angeles, Calif.

Senator WAYNE MORSE,  
 Senate Office Building,  
 Washington, D. C.

MY DEAR SENATOR: As a citizen and taxpayer and small-business man in my com-

munity, I very heartily approve of your stand on atomic energy. It is my hope that you will have enough popular support to fortify you for a grueling Senate fight on the issue. The big monopolies have been given more than sufficient opportunity to heel themselves at the Government hog trough. The small people and workers are having a tough enough time of it.

Respectfully,

Rev. JOHN H. OWENS, Sr.,  
Member Southwest Community Committee; Master Sergeant, 7th Squadron and Public Information Officer.

LOS ANGELES, CALIF., August 1, 1954.  
Senator WAYNE MORSE,  
United States Senate,

Washington, D. C.

DEAR SIR: I wish to compliment you on your recent exertions in opposition to the administration's atomic energy power bill. The attempt to protect our economy from further monopolization is a credit to you and your colleagues. I trust that you will continue to oppose the bill as it now stands.

I hope that you shall continue to give us the best of your forthright, able, and spirited statesmanship for many more years.

Sincerely,

DOMINIC B. PERELLO.

RICHMOND, CALIF., July 30, 1954.  
Senator WAYNE MORSE,

DEAR SENATOR MORSE: The Nation owes you a debt of gratitude for your noble battle against atom power giveaway.

Gratefully yours,

J. N. McCULLOUGH.

AMERICAN DAIRY ASSOCIATION,  
Indianapolis, July 27, 1954.  
Hon. WAYNE MORSE,

Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: It was a real pleasure to see and hear you on the Youth Wants To Know program Sunday.

As a midwestern farmer I particularly appreciated the stand you took on support for the farm program at 90 percent of parity. I believe that it will be most helpful in building public understanding of the farm problems for the millions of viewers that saw and heard a Member of the Senate come out strongly for farm support. In my opinion the average man in the city does not realize how badly the farmers have been hurt by recent price declines. Here in the Midwest the only thing we produce on our farms that is paying out is hogs and they are now headed for much lower prices because of the substantial increase in numbers now going to market.

I cannot understand the philosophy of Secretary of Agriculture Benson when he preaches a flexible-support price. Farmers have fixed expenses which they must meet and the only way they can meet those expenses is to produce farm products and when these prices go down, in order to meet these expenses, they must produce more. Therefore, in my opinion flexible supports will not reduce products but will automatically increase them.

Our historical records show that every panic or depression this country has ever experienced was farm born and farm fed and I believe history is now repeating itself. The American farmers are getting in the fifties what they got in the twenties and ultimately these low farm prices will bring down our whole economy. Therefore, I am very grateful to you for your support of agriculture in this desperate hour.

Sincerely,

OSCAR A. SWANK,  
Executive Secretary, American Dairy Association of Indiana.

BALTIMORE, MD., August 1, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR: Heartiest congratulations on the valiant fight you and your colleagues have been conducting. However, in view of the fact it met only partial success I would like to know; if the Senate came under a liberal majority, could the tidelands and atomic-energy giveaway bills (now laws) be voted out of existence and reasonable measures substituted? In short, have these bills that have been pushed through an irrevocable nature?

Yours truly,

I. BARDITCH.

SAN FRANCISCO, CALIF., July 28, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: Please accept the thanks of a Californian for your efforts in behalf of the people versus the private power monopoly. Harding's Ohio gang were pikers compared to the second-hand car dealers giving away this country's resources. Please continue your present, as well as past, good deeds.

J. M. MCBRIDE.

COLUMBUS, OHIO, July 30, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

Thanks ever so much for your fight against the public-power giveaway.

Yours sincerely,

GEORGE A. CRAFT.

DETROIT, MICH., July 28, 1954.

Senator WAYNE MORSE,  
United States Senate,  
Washington, D. C.

DEAR SENATOR MORSE: I wish to offer my congratulations to you in your effort to protect the interests of the American people, particularly in your fight on tidelands oil and the AEC power dispute. Keep up the good work.

BOB LEE.

LOS ANGELES, CALIF., July 26, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

Thank you for your fight on behalf of the people for the atomic-energy bill. But for your strenuous effort along with a few Democrats, we would never have known half the facts about the bill. Keep up the good fight. The taxes I pay are a real burden to me. Would like to have some return on what has been invested in the Government expenditure on atomic energy.

E. K. BERGSTROM.

LOS GATOS, CALIF., July 29, 1954.

Senator WAYNE MORSE,  
Washington, D. C.

DEAR SENATOR: I would like to congratulate you for your gallant stand against the present administration giveaway plan.

It is nice to know we still have some Senators that will stick up for the taxpaying public.

J. D. MERCER.

MINNEAPOLIS, MINN., July 29, 1954.

Senator W. MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SIR: Congratulations on your defense of the people's interests in the recent atomic energy debate.

B. WEATHERMAN.

LAGUNA BEACH, CALIF., July 29, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR: Your recent efforts in behalf of preventing the great steal are very much appreciated. We are grateful to you.

JACK MILLER and Pop.

MIAMI, FLA., July 31, 1954.

Senator WAYNE MORSE,  
Senator, State of Oregon,  
Washington, D. C.

DEAR SENATOR MORSE: I congratulate you and the other Senators who fought with you.

I hope you got support from the Senators of my State.

Respectfully yours,

A. REISMAN.

DALY CITY, CALIF., July 27, 1954.

Senator WAYNE MORSE,  
United States Senate Building,  
Washington, D. C.

DEAR SIR: Thank you for your brave fight against Ike's atomic bill.

If only we had even a few more real statesmen like you with courage and decency.

Respectfully,

A. ALABONA.

REDWOOD CITY, CALIF., July 28, 1954.

Senator WAYNE MORSE,  
Washington, D. C.

DEAR SENATOR MORSE: We appreciate very much your work in forcing recognition of the public interest in the atomic power bill recently passed.

With kindest regards,

Mr. and Mrs. WALTER LIND.

SEATTLE, WASH., July 28, 1954.

Hon. WAYNE MORSE,  
United States Senate,  
Washington, D. C.

DEAR SENATOR MORSE: Thanks for the magnificent battle you put up against proposed atomic giveaway.

Mr. and Mrs. HERMAN BOHN.

JULY 30, 1954.

Senator WAYNE MORSE,  
Washington, D. C.

SENATOR MORSE: Congratulations on your brave stand against such greed. You're O. K.

A. TWARD.

SPARTA, N. J., July 28, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SIR: We salute you for your courageous work.

P. D. BOOTHROYD.

SAN FRANCISCO, CALIF., July 28, 1954.

Senator WAYNE MORSE,  
Washington, D. C.

DEAR SENATOR: Although I am not one of your constituents, I want to express, for what it may be worth to you, my appreciation of your fight against the latest Eisenhower-Republican giveaway—the AEC bill.

How encouraging, in the face of so many threats to our American ways and freedoms, to see there are still Senators who are courageous and energetic rather than rubber-stamps.

G. H. PERRY.

MISSOULA, MONT., July 29, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: I want to express my appreciation and admiration for the stalwart fight you made on the atomic energy bill on which the administration tried to sell out



the American people—just as they're doing on the tax-revision measure. You kept them from getting a 100-percent steal and I hope you keep up the good work.

JAMES L. C. FORD.

SEATTLE, WASH., July 28, 1954.  
Senator WAYNE MORSE,  
United States Senate,  
Washington, D. C.

DEAR SENATOR: Congratulations on your efforts on behalf of the American citizens in your fight to control atomic legislation and public power.

Sincerely,

PHILLIP C. HANSEN,  
ANNA J. HANSEN.

CHIMACUM, WASH., July 29, 1954.  
Senator WAYNE MORSE,  
Washington, D. C.

DEAR SIR: You have my admiration and respect on your stand 2 years ago and now on atomic power though later I think a plan to use it for industry should be employed. Hope this reaches you as if I put it off to send letter may not get done. I also admire Mr. Rhee's stand. Hope you don't wear yourself out from lack of rest and also hope they get a new investigating committee.

Sincerely,

Mrs. NEIL STARK,  
Logger's Wife.

LONG BEACH, CALIF., July 31, 1954.  
Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

Thanks for the filibuster. Thanks, too, for the fight ever continuous to be independent when both parties lack liberal leadership. Keep up the good fight.

Sincerely,

MARION S. NICHOL.

LONG BEACH, CALIF., July 28, 1954.  
Senator WAYNE MORSE.

DEAR FRIEND: I am entirely with you in your fight against the giveaway of the people's power. More power to the champions for the people.

VAL S. WARE.

BERKELEY, CALIF., July 27, 1954.  
Hon. WAYNE MORSE,  
United States Senate,  
Washington, D. C.

DEAR SENATOR MORSE: My most heartfelt congratulations on your invaluable part in the current Senate battle against the private power giveaway.

Here in California the only detailed factual information I have been able to get on this controversy was LISTER HILL's article in the New Republic.

I have just received your published remarks on Brownell's wiretapping proposals also.

As a fellow Minnesota graduate and a fellow political partisan, I want to assure you I intend to continue boosting MORSE.

Kindest regards.

RALPH JOHANSEN.

COLD SPRING, N. Y., July 29, 1954.  
DEAR SENATOR MORSE: The more we see you in action, the more your stature grows.

We who admire you tend to be lazy in saying so. Even I have delayed, though I was impressed by your courageous fight in the atom bill. Guard your health, for your kind of statesmanship is too rare and greatly needed.

Sincerely,

ROSE CHERNOWITZ.

LOS ANGELES, CALIF., July 28, 1954.  
Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR: I wish to extend thanks to you for your efforts on behalf of the American people.

Oregon can well be proud of their Senator. Please keep up your splendid work, and good luck in the future.

Sincerely yours,

KENNETH HARRIS.

SAUSALITO, CALIF., July 29, 1954.  
Senator WAYNE MORSE,  
Washington, D. C.

DEAR SIR: May we thank you for your efforts to save atomic energy for the people? We admire your courage and deeply appreciate the physical strain involved. It is unfortunate that filibuster is the only method for stopping those who would give the whole country away.

We hope sincerely that you and more men like you will be in the Government to look after the interests of all of the people.

Gratefully,

REUBEN SCHUTZ.

DALLAS, TEX., July 29, 1954.  
Hon. WAYNE MORSE,  
United States Senate,  
Washington, D. C.

DEAR SENATOR MORSE: Allow me to congratulate you for the splendid fight you have been putting up for the people and against the atomic giveaway.

We would have a much better country if more of the Senators had the courage and public spirit you have repeatedly displayed.

Sincerely yours,

GEORGE CLIFTON EDWARDS.

LONG BEACH, CALIF., July 28, 1954.  
United States Senator WAYNE MORSE,  
Washington, D. C.

Thanks and congratulations on your effort in the behalf of the little people.

We need more people in the Senate like you.

Respectfully yours,

B. F. COURT.

LONG BEACH, CALIF., July 30, 1954.  
Senator WAYNE MORSE,  
Washington, D. C.

DEAR SIR: We are deeply grateful to you and the other Senators for your brave stand on the atomic-power bill. If it should come back from the joint committee the way the administration wanted it, and even with a few of your good amendments, but with the main giveaway part still intact, just hound it to death for this session. Next session the Democrats and an Independent will take care of it. For the present, we hope you will continue to fight it till doomsday, if necessary.

We can't understand why President Eisenhower and most of the other Republicans would advocate such a costly giveaway to rich concerns, and that right on top of the oil handout. After all the brave campaign words!

Here are some informative clippings, one entitled "House Kills Waterpower Bill," in the last paragraph that statement would apply to the atomic-power bill a million times over, but the Senate blithely goes ahead to railroad that vitally important bill through in nothing flat.

We want you to know, and the other Senators who stood with you, we think you are real statesmen and not merely politicians.

Sincerely yours,

Mrs. JEAN ALTMAN.

MADISON, WIS., July 30, 1954.  
Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: I was very appreciative of your efforts to prevent the passage of the atomic-energy bill. The opposition of yourself and others was sufficiently dramatic to let people know what was going on. The newspapers would otherwise have blanketed the bill in silence.

Sincerely,

ANNA MAE DAVIS.

LOS ANGELES, CALIF., July 30, 1954.  
Senator WAYNE MORSE,  
United States Senator From Oregon,  
Washington, D. C.

DEAR SENATOR MORSE: I am taking the liberty of writing to you to express my sincere thanks and appreciation for your magnificent stand against the atomic energy bill.

You are indeed a man of high principles who is constantly working for the good of the country and not for personal gains. You have my utmost respect and admiration. It is regrettable that there are so few men like you in Washington.

Best wishes and God bless you.

Sincerely,

RUTH SUSSMAN.

MILTON, WIS., July 29, 1954.  
Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SIR: I wish to commend you for your perseverance with which you fought the administration's atomic bill. It is disheartening to little people to watch great big private monopolies and corporations get everything. If we start complaining about these things, they seem to regard us so suspiciously as though we have fallen for the Communist line, when our whole feeling is one of revulsion toward communism.

It is so refreshing to watch men of your caliber who really have principles and seem not to be afraid of anything. Please keep on having high standards. We will stand behind people like you and respect you. We are glad you are an independent, too.

By the way, we know Miss Marie Endres, of Madison, who speaks highly of you.

Sincerely,

Miss BETTY DALAND.

FLUSHING, N. Y., August 1, 1954.  
DEAR SENATOR MORSE: Though you are not our New York Senator, you are like a friend whom we know well from Frank Edwards' broadcasts as well as from your Senate speeches.

Your talking re the atomic-energy program was terrific and whatever we got in of amendments is greatly to your credit, we know.

But you don't get any rest. We are looking forward to reading your resolution. We agreed with Senator FULBRIGHT's version and were glad that you also favor specific charges with the censure and no postponement.

Keep up the good work.

Sincerely yours,

ALVIN and LOTTIE FAIRBROOK.

BERKELEY, CALIF., July 28, 1954.  
Hon. WAYNE MORSE,  
Senate Office Building, Washington, D. C.

DEAR SENATOR: Thank you for your efforts to save something for us common people. Apparently the giveaway administration in Washington is determined that the privileged few shall have our power, our water, our parks, our oil, and all other resources.

Please keep trying; maybe we will salvage something.

Sincerely yours,

LEROY SMITH.

UNIVERSITY OF ARKANSAS,  
DEPARTMENT OF PHILOSOPHY,  
Fayetteville, July 30, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: Congratulations on the splendid fight you and your colleagues waged against the atomic giveaway bill.

I hope you and other fearless liberals in the Senate will speak up in favor of Senator FLANDERS' censure move when it comes to a head.

Many thanks to you for your splendid record.

Sincerely,  
Dr. JOHN L. MCKENNEY, Instructor.

ST. LOUIS, MO., August 1, 1954.

DEAR SENATOR MORSE: I am very thankful that there are men in the Senate such as you. The filibuster, which you participated in, was very necessary since President Eisenhower seems to want to be known as the giveaway President.

I am renewing my offer to contribute to your campaign when you come up for reelection. The Senate certainly needs men like you very much.

Sincerely yours,  
Miss HELEN R. PAUL.

PORTLAND, OREG., July 29, 1954.

Hon. WAYNE MORSE,  
United States Senate,  
Washington, D. C.

DEAR SENATOR MORSE: I want to applaud your recent action in putting up such a good fight against the administration's atomic energy bill. You have done the people of this State and the Nation a great service. It is comforting to know that there is at least one Member of the United States Senate whose vote is not for sale to the highest bidder.

Not only do the people have a multi-billion-dollar interest in the atomic energy program but it has been found on previous occasions that big business cannot be trusted. It is a sad state of affairs, but greed for more money and bigger profits speaks louder to business than the voice of responsibility for national security and national welfare.

My family and I enjoy receiving your periodic reports.

Very truly yours,  
MARSH F. BEALL.

JULY 29, 1954.

DEAR SENATOR MORSE: As a member of America's younger generation, I would like to thank you for your tremendous fight against the atomic giveaway program and to say that I am very disturbed and grieved that circumstances beyond your control doubtless prevented your achieving victory. Keep fighting; you're fabulous.

Hoping to vote for you come next election, I remain,

Sincerely,  
Miss BARBARA WILLETT.

SALEM, OREG., July 28, 1954.

Senator WAYNE MORSE,  
Washington, D. C.

DEAR SENATOR: This is just a note in appreciation of your efforts of the past months to stem the tide of the moneychangers, saboteurs, and giveaway boys. No doubt it's an uphill fight with what seems like your own constituency helping the wrong people.

Let's hope by November the rank and file of voters will have awoke to what's happening to their heritage.

Most respectfully yours,  
W. A. RENTSCHLER.

C—854

PORTLAND, OREG., July 28, 1954.  
Hon. WAYNE MORSE,  
Washington, D. C.

DEAR SENATOR MORSE: I appreciate your kind acknowledgment of my letter, especially during the very busy session you have been having. May I congratulate you for your very outstanding work during the last few days of a hectic debate. The end of this discussion is disappointing, to say the least, as was tidelands oil.

I admire you for your frankness; you do not placate; one knows where you stand on an issue.

I do sincerely hope you will be reelected in 1956; the country needs men like you to help run the Government. I shall certainly support you with my vote. When one takes a survey of the trend of politics during the primaries, nationally, it looks more hopeful. Texas gave Governor Shivers a surprise.

I have heard several people say they are sorry they voted for the present administration and would change in the next election. We need people in government who are for the working people as well as big business.

I attended the Democratic rally in Eugene July 10. I think everyone was very well pleased; there were between four and five thousand in the stadium. Of course Mr. Stevenson gave a brilliant speech as usual. I had the honor of meeting him at the reception held afterward in the new school building close by.

Thank you also for the booklet, received yesterday, on H. R. 7815; I am sure I will find it very interesting; also many thanks again for the monthly bulletins.

Best wishes always.  
Sincerely,

CONSUELO A. WITHAM.  
Mrs. FRED W. WITHAM.

PORTLAND, OREG., July 28, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: Many thanks for the material sent me.

It interests and in a way amuses me to note the changing attitude toward you, sir. Now folk are beginning to say "that fellow Morse may be darn right." In the past, while many of us do not understand the filibuster episode very well we do trust and have confidence in you and those who stood with you.

Miss JULIA NOBLE.

SALEM, OREG., July 29, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.:

Congratulations on your fight over the AEC bill. At least some of the features were removed.

Keep up the good work.  
Sincerely,

ALAN R. HOLLOWELL.

COLUMBUS, KANS., July 30, 1954.

Hon. Senator WAYNE MORSE.

DEAR SIR: I am almost an invalid, 67 in September. Can't go anywhere, have no television, just radio. Heard you on last Sunday, July 25, on Youth Wants To Know, was thrilled to hear one Senator so brilliant and reasonable and matter of fact. Just like to scatter roses while people live. Somehow, sometimes I almost lose faith in our Congress when I read of the sellouts and self-interest. This requires no answer.

Prayers and best wishes.

Respectfully,

Mrs. MAUDE HOWARD.

"PARTNERSHIP" IN THE POWER BUSINESS

Jim Smith and I are going farming and we have a wonderful "partnership." We're

going to grow peas, barley, corn, and other crops grown in this area. Jim didn't have any money to put into the business, so I furnished the capital and now we are all set to go.

Our farm has a hundred acres of tillable land with a few extra acres of hillside too steep except for the growing of trees. From this rugged hillside flow springs that empty into the river that flows by the farm, from which river we expect to irrigate our crops.

We've drawn up an agreement so each of us will know just what he is to do and what he is to get out of it. Jim is to till the soil, plant and harvest the crops, and receive for his very own the entire receipts from all crops sold. I am to fence the farm to keep out the neighbors' livestock, build roads down the hillside to the river, plant and care for many trees on the hillside to help retain the snows and rains that feed the river that irrigates our farm, and receive for my remuneration the privilege of fishing in the river. Isn't it a wonderful "partnership?" I'll soon be rich.

That is the administration's "partnership" program for power. The Government is to furnish the sites and build the roads to reach them. The Government is to maintain an adequate forest program so as to help to guarantee a water supply for the dams to be constructed. In other words, the Government is to furnish all things necessary to make permanent the plants for the generating of electricity.

Having done all this at the expense of the people, this administration is saying to the party big boys, "Now, you good fellows, come into these sites and construct great power-plants from which you can collect many, many millions. We know you don't have the money, but our little Douglas will negotiate loans from the Federal Government to give to you so that you may get rich."

Talk about "selling us down the river." This betrayal of the people is even worse than stealing from us the revenues from the tidelands oil.

LYNN GUBSER.

McMINNVILLE, OREG.

MIDDLETON, WIS., July 27, 1954.

DEAR SENATOR MORSE: This being my first letter to a public official, I feel somewhat inadequate in presenting my view on what seems to me to be a problem of national importance, and yet find so few people aware that it exists. Of course, I am referring to the President's atomic program against which you are now taking an active part in holding up by use of the filibuster. My only comment is, "In the name of heaven, keep it up." It is the last hope the American people have to keep big business from making a windfall from taxpayers' money. As a young graduate student here at the University of Wisconsin, I have only recently been able to expand my thinking in the area of politics to overcome childhood impressions and move to what I like to think is a liberal viewpoint. Therefore, I, too, condemned the filibuster as an obsolete method used to stop the movement of political thinking at times when it went against tradition. However, I must admit that I listen to the newscasts and read the morning paper with the hopefulness that you and the handful of others like you have not given in. I realize that political pressures must be pushing on you from all sides. Not only pressure groups but other Senators and party leaders. To separate your feelings and actions from the desires of others is a difficult thing, but in this case the fate of an unsuspecting Nation rides with you. Many people have become aware of the problem due to your efforts but your attempt is so often distorted by editors and columnists like Pegler, Lawrence, et al. The



disgust and revolting feeling that comes from reading their articles is indescribable.

Continue your good work in the knowledge that to many you represent one of the few bright stars on the current political scene, a scene that has seen too many eclipses.

Sincerely yours,

ALAN BEEMAN.

Mr. MORSE. I wish to make very clear that I am fully appreciative of the fact that some of the coverage on the atomic-energy bill fight did seek to give newspaper readers factual information on the substantive arguments of the speakers in the Senate. Such great newspapers as the St. Louis Post-Dispatch, the Louisville Courier-Journal, the Milwaukee Journal, on the national scene, and the Medford Mail-Tribune, the Coos Bay Times, the East Oregonian, the Capital Press, the Oregon Labor Press, and a few other newspapers in my State, did a very good job editorially and in their news columns in focusing attention on the merits of the debate rather than on the human-interest stories raised by the techniques of the debate.

As an example, I ask unanimous consent to insert in the RECORD at this point in my remarks a fine editorial from the July 30 issue of the Oregon Labor Press, entitled "How Not To Cover a Crucial Filibuster," which points out how reactionary newspapers in my State sought to distort the facts and mislead the people of my State in respect to my several long speeches against the atomic-energy power bill.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### HOW NOT TO COVER A CRUCIAL FILIBUSTER

Recent issues of the Portland daily papers should be required reading for students of journalism. They provide a classic example of how not to report a history-making filibuster in the United States Senate.

Seldom in the history of the newspaper business have so many words been used to describe the length of a debate without giving the reader the slightest notion of what it was all about.

You got the idea that the Senators were playing a time-wasting game for their own amusement. Never was it hinted that this was a desperate, last-ditch battle to prevent the giveaway of the American people's \$12 billion investment in atomic energy.

After all, who cares about that? Skip it, boy—and give us a few more paragraphs about the flower in WAYNE MORSE's button-hole and the crease in his suit.

Friday's Oregonian was the prize example. The paper devoted 40 column inches—more than a quarter of its front page—to two stories on the atomic debate. One of them was devoted exclusively to making MORSE look like a fool. The other used three sentences, beginning in the 22d paragraph, to tell what it was all about. And that was that.

Perhaps the fault doesn't lie entirely with the Oregonian and Journal. They depend on Associated Press for Washington coverage. But were all AP stories as empty as the ones we read in Portland?

Remember that the word "filibuster" is like the word "strike." It's loaded. A strike is always the "fault" of a union. A filibuster is always the "fault" of the Senators who try to stop passage of a bill. How many readers stop to ask what provoked them to use their last, desperate weapon?

If you'd like to know, here's a brief summary:

By their filibuster, MORSE and the other liberal Senators finally forced major changes

in the administration's atomic giveaway bill. They stopped the plan to give private utility companies an exclusive, subsidized private monopoly on power development from atomic energy.

They won an amendment authorizing the Government to generate electric power from atomic energy. This will establish a "yardstick" to measure the fairness of rates charged by private power companies.

Another all-important amendment provides that any atomic-electric power plant must follow the historic preference clause, thus assuring cooperatives and municipalities of first rights to electricity produced from plants licensed by the Atomic Energy Commission.

These were major victories, protecting Americans from exploitation for generations to come. We believe that history will give credit to the filibustering Senators—even though the daily papers made them sound like a bunch of windbags.

Mr. MORSE. Mr. President, a good many of the columnists and byline writers did a remarkably fine educational job on the substantive criticisms which we made in our arguments against the bill. Some of the columnists, such as Leo A. Lerner in his column published in the August 4 issue of the North Town News, published in Chicago, discussed the prolonged debate against the atomic energy power bill from the standpoint of the longtime best interests of American consumers. The resulting mail from his column showed that readers are interested in the substance of a debate on the major issues involved in a bill as important as the atomic energy bill. I ask unanimous consent that the Lerner column just referred to be published at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### WHAT IT'S ABOUT

(By Leo A. Lerner)

A consumer is you when you are paying a bill for something you bought.

Anybody and everybody is a consumer, rich or poor, Republican or Democrat, light or dark.

And to state it most simply, the fight over the Atomic Energy Commission bill and the President's directive to make the TVA buy electric power from a private company and resell it to the AEC was a fight over whether or not we should relax our national protection of the consumer.

The filibuster by Senator MORSE and the liberal Democrats was not a contest between free enterprise and public enterprise. It was not a contest between business and Government. It was something practically no newspaper editorial or commentator said it was, a question of what is eventually going to happen to you, the consumer.

Sometimes I think others look upon consumer as a dirty word because you see it used so seldom in a sympathetic context. And yet the consumer, the eater-up, the user-up, the buyer of goods and services, is by far the most important individual in our whole economy.

I am familiar with the arguments that everything in our wonderful economy depends on the producer of goods and services, and it is he who must be helped and encouraged. Nor do I disagree with this premise altogether or with the often nice people who advocate it, but just exactly who would buy if there were no consumers and if these consumers were in trouble, such as suffering from a hardening of the income arteries or a steady chipping away of their opportunities to buy in a free and competitive market?

It is the last part of this long sentence that explained the noble filibuster of MORSE, DOUGLAS, et al. They are fighting against the chipping away of the chance of the consumer to buy in a free and competitive market, so that things and services could be plentiful and cheap.

And they won a large part of the fight by amending the administration bill so that the consumer as buyer and the consumer as taxpayer wouldn't get stuck for such a large part of the bill when private companies, most of them monopolies in their fields, were granted new privileges which give them new chances to make billions of dollars out of atomic energy patents bought and paid for with the tax dollars, which, even when paid by business, are always passed on to that nice, innocent fellow, the consumer.

But in the main, in spite of the amendments which will protect the consumer a little and save him a lot in total dollars, the consumer lost by the overall passage of an atomic energy bill which was really an omnibus carrying a few friendly passengers and a considerable number of wolves in sheep's clothing.

One thing you can be sure of now that the President has gotten through his bill which even a liberal Chicago newspaper brushed off as a great way "to bring business and government together." You can bet that you and I will not be in the atomic-energy business when the time comes that such energy will run the motors of the world. You and I won't be in the atomic-energy business and the Government won't be in it, if this kind of legislation stands. We'll be buying it, and the monopoly will be telling us how much of it we can have, how much we will pay for it and what it will cost us to install it, repair it, move it upstairs, or use it to pick a peck of pickles. You and I won't be able to say: "You keep your old energy which I need to cut down the tree or run the lawn mower; we are going to buy it from your competitor across the street who will give us a better rate and say 'pretty please.'"

It takes millions and millions to participate in this mutual atomic-energy program and you and I just haven't got the millions. We haven't even got what few millions it takes to give enough cash to a campaign fund for a President or a Senator. So how can we raise the coconuts it takes to shake them off the tree?

If you can't get Western Union on the telephone, whom can you call up to send your wire? Mercury himself? Personally, I don't know his number.

The little grocer and the little baker and the little manufacturer each has more competitors than he has dollars in the bank, but we have a group of people, nice people most of them and frank about what they are after, who call themselves free enterprisers and who are no more for a free economy than you are for a lunch of chopped ostrich livers. And it is for these smiling apostles of the false issue and the unsemantic slogan that the President created a legislative program and issued an Executive order without listening to the voices of sanity which cried, "Don't. It's not good for the consumer."

Somehow, it has become a hallucination that anybody who is for the consumer, that's you and I when we're buying and paying, is a Socialist, a New Dealer, a crawling bitter thing, repulsive and poisonous.

The Tennessee Valley Authority, by far the greatest thing we Americans have created together since the Constitution, is a protector of the consumer, a yardstick, a proof that Government can accomplish wonders without damage to the American way, but somehow this fine thing is feared and smeared and made to pay the penalty of being kind to the consumer.

It makes no more sense that a private company should sell power to TVA to resell it to AEC than for Lincoln Park suddenly to

be ordered to rent the elephant house to a private contractor who will resell to the zoo the right to see Jumbo. This kind of economic casuistry may satisfy somebody's alter ego, but there won't be any money left for peanuts.

And peanuts, my friends, is what this is all about. The kind that you and I use to spend on the things industry and service make for us to consume, with our big American appetites, for more, and better, and cheaper.

Mr. MORSE. Mr. President, I make these comments and insertions today because I want the RECORD to show that there is much evidence, as shown by our mail, that the average reader of the American press is not being misled by reactionary newspaper propaganda.

Mr. President, I now turn my attention to another subject.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

#### THE BENSON PLAN TO FARM THE FARMERS

Mr. MORSE. Mr. President, within the past few months, three great farmer-veterans of the fight for our national farm programs have retired from the national scene.

One of them was Norris E. Dodd, an Oregonian who served as everything from chairman of a county Triple-A committee in my home State to director general of the World Food and Agriculture Organization. Mr. Dodd retired from his international post when the current administration decided to back another man for the job. Ed Dodd has served with great distinction in every post he was called upon to fill.

Next to go was R. M. "Spike" Evans, one of the members of the original national corn-hog committee, who came up through agriculture and climaxed his career as a governor of the Federal Reserve System. He has recently gone back to Arnold's Park, Iowa.

On August 1, a third of these great founders of the farm programs—William A. McArthur, for many years head of the grain branch at the Department of Agriculture—started back to his Iowa farm after a farewell dinner at which the early days of our farm programs were recounted.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. THYE. The able and distinguished Senator from Oregon has named three men with whom I have had the good fortune to become acquainted since I came to the Senate. They were about as able men as I have ever known in the field of agriculture. There was "Ed" Dodd. Oftentimes he appeared before the Committee on Agriculture and Forestry in the various hearings which the committee conducted.

While we are speaking about men who have been leaders in agriculture, if the Senator from Oregon will permit me, I should like to refer to men like John Brandt, president of the Land O'Lakes Co., whom we lost last year. He was one of the greatest spokesmen the dairy industry and dairy processors had.

We lost another great man in the past year and a half or 2 years by the death of Harry Leonard, manager of the Twin Cities Milk Producers Association, of St. Paul, Minn.

Within the past 2 years we have also lost J. S. Jones, secretary of the Minnesota Farm Bureau. There is no man living today who understands agriculture the way J. S. Jones understood it, and there never was a greater friend of agriculture than J. S. Jones, secretary of the Minnesota Farm Bureau.

Agriculture has lost not only "Ed" Dodd and the other gentleman to whom the Senator from Oregon has referred, by retirement, but we have also lost, by death, some of the greatest agricultural leaders in the country.

Mr. MORSE. I appreciate the remarks of the Senator from Minnesota. I think it is particularly fitting, as we engage in this debate on the agricultural issue, that we pause a minute and recognize the accomplishments of the great agricultural statesmen to whom we have referred, and the magnificent contribution they have made to the American people through their work in the field of agriculture.

The retirement of these three great farmer statesmen and administrators is symbolic of what is happening in the executive branch of the Department of Agriculture and even here in the Congress.

The men who helped to found and build our great farm programs are leaving and our memory of the genesis of these programs is apparently fading too.

Our farm programs have their roots back in a period when conditions in agriculture were so bad that normally conservative, solid farm citizens engaged in rebellion. There is no less harsh word for it. Farmers upset produce trucks on the highways in the Middle West. Milk trucks were turned back or turned over in several areas. Finally some farmers became so desperate as to defy the courts. National guardsmen were called out in Iowa to preserve order.

Those were days of 10-cent corn, 3-cent hogs, wholesale bankruptcy among the farm people and of penny sales.

There has recently come to my desk a publication of the Northeast Farm Foundation by A. B. Genung on the Agricultural Depression Following World War I and Its Political Consequences which recounts two episodes in Iowa and another in New York during those dark days. Mr. Genung writes:

A crowd of more than 100 farmers visited the courtroom of the county judge in Le Mars (Iowa), and demanded that he refuse to sign any more farm-mortgage foreclosures. The judge refused to accede to the demands, whereupon, according to the newspapers, the crowd dragged him from the bench, handled him roughly, carried him blindfolded in a truck to a crossroads out in the country, put a rope around his neck and choked him until he was only partly conscious, smeared grease upon his face, and otherwise subjected him to indignities.

Earlier in the day this same crowd of farmers had stormed the O'Brien County Courthouse and attempted to prevent a mortgage-foreclosure sale there but had been held at bay by 22 armed deputies. The attorney for the mortgageholders was seized as he left the courthouse, forced to kiss the American flag, and to promise not to bring further foreclosure actions. After returning from this expedition the crowd had seized a man named as the mortgageholder in another foreclosure action, had carried him to a ball

park and threatened him with a rope. It was following these exploits that the mob visited the court and subjected the judge to severe treatment.

This incident had far-reaching effects, more especially, of course, in Iowa. Martial law was declared and civil courts closed in Plymouth and Crawford Counties. Several companies of the National Guard were sent into the area, where they set up military control and proceeded to arrest and incarcerate more than 100 farmers. On May 5 the militia pushed into Cherokee and apprehended certain men who were suspected of having had a part in the assault on the judge. The movements of the militia provoked local verbal attacks and much controversy and irritation. The arrests on the above date brought the total number of prisoners in the 2 districts then under martial law to 148, of these 86 being held at Le Mars and 62 at Dennison.

The milk situation was also in the news, in the East, once more. The New York State Milk Control Board on May 10 ordered an increase from 10 to 11 cents a quart for home-delivered milk in New York City, in an effort to prevent the strike then being threatened by upstate farmers. This action, it may be remarked, came at the close of an exceedingly hectic day, during which some 300 dairy farmers were given a hearing before the board. The situation of milk producers was characterized at the hearing as desperate and the board was warned that the farmers were threatening to blow up milk stations and milk trains unless they received a better price.

Such was the scene in 1933 when farm leaders of the Nation were called to Washington by the new administration to write a farm law for presentation to the Congress with the new administration's backing. Bona fide farmers took the lead. The law was passed and bona fide farmers—men like Ed Dodd, Spike Evans, Bill McArthur, and many others—came off their farms and ranches to administer it.

American political life has been enriched by the fact that these men of the soil were drawn into Government and that real dirt farmers have participated in Government all the way from township committees to Cabinet and international posts.

The ink on the new farm laws written in 1933 had not dried before processors and men of great wealth began to attack them.

The processors went to court. The men of wealth—Wall Street hayseeds like Winthrop Aldrich, of Chase National Bank; Lamont Du Pont; Alfred P. Sloan; Ogden Mills; Joseph N. Pew, Jr.; Arthur Beeter, of Swift & Co.; and J. D. Coonley, of Wilson Packing—these rustics helped to organize and finance the Farmers Independence Council, which started crying "socialism," "regimentation," and telling the farmers that they would lose all their liberties under the new farm laws.

Senator Hugo Black, now on the Supreme Court, disclosed to the Nation through his Lobby Investigating Committee, that the backers of the Farmers Independence Council did all their farming in the "asphalt canyons" of Wall Street in New York and La Salle Street in Chicago. Thereafter the Independence Council withered away.

The processors succeeded in obtaining an adverse ruling from the Supreme



Court upsetting the first triple-A program, so the Nation's farm leaders met again here in Washington and drafted the Soil Conservation and Domestic Allotment Act, first adopted in 1935 and extended in 1936.

In the fight for the 1935 act the conflict between real dirt farmers and the agricultural industries reached white heat.

Ed O'Neal, president of the American Farm Bureau Federation, denounced those who "farm" the farmers. On March 9, 1935, he told the Senate Committee on Agriculture and Forestry:

It is high time that those people who shed crocodile tears over the alleged regimentation of the farmers, and who speak of these programs we are seeking in horrified terms, should do two things:

First, they should know what they are talking about, and

Second, they should analyze the facts.

If they can do neither, they should disclose what motivates them in speaking and writing as they do. One of the things I fail to understand is why those who are not farmers should be spiritually moved in the salvation of the farmers. The farmer can and will save himself with the aid and assistance of an intelligent and progressive Congress and a courageous and honest administration.

It is time that someone told those who are opposing these programs, and who are shaken by fearful nightmares over what will happen to agriculture, despite the fact that these programs are succeeding, that the farmers of the United States, by an overwhelming margin in numbers, want to preserve the measures enacted for them by Congress, which will permit the farmers to work together by themselves, and to unite collectively in a cooperative solution of their problems.

The pages of agricultural history show that opposition to farm legislation has come from the ranks of those who are not engaged in agricultural production, but who live upon it.

The opponents of our program would make a much better showing, and would reflect upon themselves more creditably, if, in their opposition, they prefaced such opposition by saying that organization of agriculture for greater control over production and distribution would hurt them financially; that this is the reason for their opposition to these programs. Our opponents might just as well make their statements publicly, because everyone knows that it is a fact, and the more the fact is concealed, or attempted to be concealed, the more ludicrous is the position of our opponents. To take refuge behind any other kind of stand is laughable.

Mr. O'Neal went on to say:

If this legislative committee of the Agricultural Industries Conference really wants to be known as farmers, they should call themselves "board-of-trade farmers," "grain-pit farmers," "livestock-exchange farmers." Their only relationship to farming is farming the farmers.

Mr. President, I thought that was such an excellent description of the opponents of the farm program of the 1930's that I adopted it, as will be seen, as a part of the title of my speech here today.

It is the background of agricultural industry hostility to our farm programs that should give us great concern about the way in which the Department of Agriculture is being administered today

and its apparent lack of concern about bringing on a farm depression.

From the day that Mr. Benson came to Washington and established a temporary office, the agricultural industries group—the "pugfers" and "flakers"—have been in the ascendancy again.

Everyone of his study and many advisory committees in agriculture has been loaded with nonfarmers.

Among Benson's early appointments was an agricultural finance advisory group. On March 4, 1953, this group met here in Washington and advised the Secretary, according to a Department press release of that date, that existing credit facilities are adequate to take care of any foreseeable needs of the legitimate livestock producer. The press release added that there is little indication of distress—for credit—even in the drought area.

This was only a few weeks before the Congress had to enact emergency credit measures for livestock producers in the drought areas. It is very significant who attended the meeting. According to the press release, the members in attendance at that advisory committee meeting were:

A. G. Brown, American Bankers Association.

D. E. Crowley, vice president of the Northwest National Bank.

R. M. Evans, a member of the Board of Governors of the Federal Reserve System.

O. M. Krueger of the Prudential Life Insurance Co. of America, of Newark, N. J.

R. I. Newell of the Equitable Life Assurance Society, New York City.

John A. Reed, president of the First National Bank of Kemmerer, Wyo.

Glenn E. Rogers, Metropolitan Life Insurance Co., New York City.

Mr. R. E. Short, of the Department of Agriculture.

The 1 or 2 men of real, grassroots understanding of farm problems in that group were far overshadowed by a majority of financiers—and it is therefore not surprising that they were quickly proved entirely wrong about farm credit needs.

The National Agricultural Advisory Committee contained and still includes several names disturbing to farmers—a vice president of the Bank of America, a New York educator who is also a director in large utility and industrial concerns, and the president of the American Meat Institute, which is made up of the packers, for example.

A joint meeting of Corn and Wheat Advisory Committee was held in Chicago October 13-14, 1953, to help draft the Eisenhower-Benson farm program.

Represented at that meeting, according to a Department press release, were the Chicago Board of Trade, Corn Products Refining Co. of New York, Cargill of Minneapolis, General Mills, Continental Grain Co. of Portland, Oreg., and Theis Grain Co. of Kansas City. While these obvious agricultural industry representatives did not constitute a majority of the joint committee meeting, their influence was clear in the joint committee recommendation of flexible supports.

I shall not take the time to explore all of these advisory groups. Concern about them was reflected during House Agricultural Appropriations Committee hearings early in 1953, and a considerable listing will be found in the agricultural subcommittee hearings on Department of Agriculture appropriations for 1954.

Inasmuch as dairy price supports are involved here, a Department of Agriculture press release on Secretary Benson's appointment of a dairy industry group to coordinate various dairy program recommendations shows the interesting composition of the panel. This group was composed of 3 men representing dairy production, 2 representing educational institutions and 15 from the distributing, manufacturing, wholesaling and retailing end of the business.

Farmer administrators at the Department of Agriculture are also disappearing and businessmen appointed instead.

The other day I noticed an announcement that MacHenry G. Schafer had been appointed director of personnel by Secretary Benson. The Department release stated that he was second vice president of the Northern Trust Co. of Chicago.

Undersecretary True D. Morse is a director in a farm management concern in St. Louis.

Assistant Secretary Earl Coke is a former vice president of the Spreckels Sugar Co. and member of the San Francisco Chamber of Commerce.

N. R. Clark, special assistant to the Secretary on Commodity Disposal, was a vice president and director of Swift & Co., prior to his retirement in 1952.

Secretary Benson had as his executive assistant D. K. Broadhead, who had been manager of Safeway Stores' egg operations in the United States and Canada. When Mr. Broadhead left, the Secretary chose Lorenzo N. Hoopes, eastern district manager of the Lucerne Milk Co., as his executive assistant.

Walter C. Berger, associate administrator of the Commodity Stabilization Service, is a former president of the American Feed Manufacturers Association—1946-52—and, since 1952, executive vice president and director of the Shea Chemical Corp.

Alex P. Davies, consultant to the President of the Commodity Credit Corporation, was Director of the Department of Livestock of the American Meat Institute, composed of the packers.

Is it any wonder, Mr. President, that the facilities of the Department of Agriculture have been used for the last 2 years to undermine and destroy the farm programs? The historic foes of the farmers are in the saddle again, and the Department mimeograph machines and the Department spokesmen have been constantly haranguing the public with exaggerated, erroneous, and frequently conflicting statements about the costs and the effects of the price support programs.

Let me say that I do not hold all the Republicans in the Congress responsible for the conduct of Secretary Benson. The agricultural bill now before the Sen-

ate, to hold off the disastrous sliding scale of price supports for another year, is recommended by a bipartisan group. I know of no one who has worked harder to change the direction of the Department of Agriculture than the junior Senator from North Dakota [Mr. Young]. He was on the job even before the inauguration in 1952. His is not a pre-election conversion to the farmers' side.

Another group which has been on the job are the members of the House Agriculture Committee—Republicans and Democrats alike.

On at least three occasions the House Agriculture Committee has gone to considerable trouble to expose the falsity of the processor propaganda issuing from the Department of Agriculture. The House committee's report, House Report No. 1927, flatly contradicts the elaborate maps which Secretary Benson got out a few weeks ago intended to show that farm income from price-supported crops is inconsequential in most of the States.

Benson's maps showed that in my own State of Oregon, for example, only 12 percent of agricultural income is from the 6 basic crops which have 90 percent supports. He rigged up a map to indicate that 81 percent of our products were nonsupported.

The House committee's report answered him with a map which shows that 42 percent of Oregon farm income is from price-supported crops and livestock products, and that this figure is 56 percent if the value of cattle and calves is included. The legend on the map points out that Government purchases were an important factor in stabilizing the price of beef cattle in 1953.

Benson's maps claim that 79 percent of commodities produced in Minnesota are either nonsupported, or are dairy products which he infers are nonsupported by lumping them into that class. The House committee says 55 percent of Minnesota commodities are price supported, and that the figure is 67 percent including cattle and calves.

Benson puts 69 percent of the Ohio farm products in the nonsupported class. The House committee shows 55 percent supported, or 64 percent including cattle and calves.

I hope that the Members of the Senate will get a copy of the House committee report and study it very carefully, because it is a complete answer to the misrepresentations of Benson, as set forth in his phony statistics.

This correction in the Benson maps is not the only direct reply to the Department propaganda which the House committee members—Republicans and Democrats alike—saw fit to issue. A whole section of their report, given the title "Popular Misconceptions," is devoted to refuting statements which have poured from the Department mimeographs.

In this section the House committee flatly deny and refute the claims that 90-percent supports are responsible for our surpluses, that flexible supports will discourage production, that flexible supports will result in important price reductions to consumers, that flexible supports will mean less Government con-

trols and less expense, and that agriculture is subsidized beyond other segments of our economy.

After the issuance of this report, the House committee has produced two special studies to complete the refutation of some of Mr. Benson's propaganda.

The latest of these is a 12-page committee print on Farm Prices and the Cost of Food. I want to read just the introduction to it and to recommend that every Member of the Senate get a copy and study it in its entirety. The introduction says:

#### FARM AND RETAIL FOOD PRICES, 1946 TO DATE

When war-imposed (OPA) price controls were removed in the fall of 1945, both farm prices and retail food prices advanced rapidly.

Farm prices advanced 29 percent between 1946 and their peak in 1951, 5 years later. The advance in retail food prices was even greater (45 percent) between 1946 and their postwar peak in 1952. Since 1951, peak prices received by farmers have fallen 20 points, or almost back to their 1946 level. In contrast, retail food prices now hold within a fraction of their 1952 peak. In June 1954 farm prices declined 4 percent; retail food prices advanced 0.5 percent.

Thus far, almost none of the lower prices received by farmers since 1951 has been passed on to consumers in the form of lower retail food prices.

Further declines in farm prices are expected as more livestock and livestock products come to market and price-support levels are lowered. Consumers can expect little benefit, however, from these lower farm prices unless recent tendencies to increase marketing and processing charges are curbed.

The House committee had previously taken a slap at Mr. Benson's long-continued efforts to describe the farmers as panhandlers of billions of dollars from the Government in a committee print pamphlet entitled "Government Subsidy Historical Review."

This study shows that appropriated aids to agriculture from 1949 through the 1955 fiscal year will run \$2 billion less than appropriations in aid of business.

It shows that our stock of foods and fibers in the Commodity Credit Corporation inventory last November 30—about which Benson expresses great alarm every time he makes a speech—amounted to \$2.7 billion compared to \$135 billion invested in stocks of military material and the national stockpile.

It showed that the net cost of price support operations from October 17, 1933, to November 30, 1953, was \$1.2 billion—not the billions that the Department of Agriculture has attempted to make the public believe.

All this adds up to a spectacle that would be amusing if it were not for the tragic consequences in agriculture and our whole economy.

One day a Republican Secretary of Agriculture blasts the farm price support programs. The next day the Agriculture Committee of the Republican-controlled House of Representatives blasts back with a flat contradiction of the Secretary's arguments.

This intra-party strife has made one thing quite clear: That the Department is now dominated by those who—as Ed O'Neal put it—"farm" the farmers and that this Congress is the dirt farmer's only refuge—if he is to find one.

Interestingly enough, the Department of Agriculture sometimes refutes its own arguments. It has grown quite adept at talking out of both sides of its mouth.

On March 9, 1954, Under Secretary of Agriculture True D. Morse went to Dayton, Ohio, and tried to stir up the resentment of the dairy farmers against the corn farmers. Mr. Morse said in his speech to the Miami Valley Milk Producers on that occasion:

Most of the corn that is sold for cash by farmers is eventually bought by other farmers, as dairymen well know. Therefore, income for corn to one farmer becomes an expense to the farmer who buys the corn or feeds containing corn.

A large part of the expense of dairy farmers in the production of milk is feed costs. Approximately 400 million bushels of corn, including corn in silage, is fed to dairy cattle each year.

Just a few weeks after this attempt to pit dairy farmers against corn farmers—and Mr. Benson himself has indulged in the same sort of troublemaking—the Secretary was called before the House Agriculture Committee and asked why he had reduced dairy price supports to 75 percent of parity while feed supports were still based on 90-percent corn.

What did the Secretary of Agriculture then say?

I quote from his own mimeograph and the record. He replied:

Let us not exaggerate this point. Corn comprises only about 6 percent of the cost of producing milk, and other feed grains about 5 percent.

"Let us not exaggerate," the Secretary said.

I say that is the advice which the Secretary should have given True D. Morse, Under Secretary of Agriculture. He ought to have given it to him before Mr. Morse went to Ohio to make the speech he made, which was bound to have the tendency of stirring up trouble between corn producers and dairy producers.

The only exaggeration which had occurred had been the exaggeration by the Secretary and his staff in their efforts to divide the farmers and set feeders against feed producers.

I should like to carry this one step further.

The consumers of the Nation have been led to believe that high farm-price supports are responsible for high food prices.

The House Agriculture Committee study disposes of that one. Food prices have gone up further and faster than farm prices, and they have stayed right up at the peak while farm prices fell.

But let us examine milk for a moment.

Accepting the figures which the Secretary of Agriculture used before the House committee, price-supported feeds amount to 11 percent of dairy-production costs.

Farmers get 10 cents or less a quart for milk. If they got corn and other feed grains absolutely free, it would mean a saving of about 1 cent a quart in the production of milk. That would mean 23 cents per quart milk here in Washington instead of 24 cents—a saving about 4 percent if feed grains were



supplied completely free to the dairy-men.

It is about time, Mr. President, for us to point up the misrepresentations, falsifications, and phony propaganda of the Secretary of Agriculture and his mimeograph staff. It is about time for us to point out to the consumers in the large cities in America that it is not in their interest to lose the 90 percent farm-parity program, because loss of the 90 percent farm-parity program will soon reflect itself in economic disjunctures in the cities of America. After all, the cities of America are dependent for their prosperity upon the prosperity of the people who live on the soil of America.

I should like to discuss this issue in such metropolises as New York City, Boston, Mass., and Chicago, Ill., because it is time for some spokesmen for the farmers to invade those cities and explain to the consumers in those cities that, after all, their economic welfare is bound up directly with the economic welfare of the American farmer.

Let there be no doubt about it, Mr. President. If we allow the economy of the farmers to decline it will be but a short time until the economy of the city folks will decline at a more rapid rate, because once a farm depression starts to take hold we have an economic toboggan ride, very soon participated in by the residents of the cities. As the farm economy goes down the economy of the cities and industrial areas of America soon collapse.

That was the story of the 1920's, ending with the great depression. I intend to cast no vote which, in my judgment, would be a vote to bring about an agricultural depression either now or within the next few years. That is what I would be doing if I were to go along with Benson and the mimeographers who operate his propaganda machines. I would be joining the forces which are seeking to stir up a conflict between those who live in the industrial centers of America, and those who live on the farms of America.

If we reduce feed supports and prices by 15 percent, the savings will be about 1.5 mills on a quart of milk. That is about 1½ cents at the most, Mr. President. The House study of food prices shows that the consumers would not benefit a single mill from it.

Another of the fine arguments that was spun out by the Department of Agriculture spokesmen was that lower prices would permit greater production because consumption would go up.

Secretary Benson explained that, and I quote him directly, "flexible supports can produce larger income because they permit larger production." He often repeated that production times price equals income to create the impression that the proposed new farm program would start everyone eating more and permit higher farm incomes even at lower prices.

But when the Secretary came up to Congress with a statistical projection of the administration farm program, it revealed that he planned tighter acreage controls—not the lesser ones that had been held out to the farmers. His projection was for a 55-million-acre allot-

ment on wheat for at least 3 years, and a 10-million-bale cotton production, the lowest the law allows.

The increased production which flexibles supposedly was going to make possible disappeared into the distant future, population growth undoubtedly will increase the total of foods consumed.

Mr. President, when William McArthur told his friends farewell the other evening, he recounted the number of times that our so-called surpluses of farm commodities have stood us in good stead.

They have proved a godsend to this Nation in at least 2 drought periods and 2 war periods.

We are today faced with the possibility—and I hope that neither materializes—of both drought and war.

The spare wheat and corn and cotton we have available may again prove a great good fortune, as it has before.

The Wayne Darrow Washington Farmlatter for July 31 points out that drought conditions as of that date were the most extensive in history, involving virtually all of 30 States, and more than half of 35 States between the Rocky Mountains and the Atlantic.

Should this prove a drought decade like the thirties, Farmlatter reports that—

Feed-grain surpluses would be gone in 1 year, reserves would be down to the danger point in 2 years, and there would be scarcity by 1957, despite our large stocks. Without the large stocks, scarcities of feed, liquidation of livestock, soaring food prices, and similar effects would be felt sooner.

No one can predict with certainty whether there will be continued drought, or another Korea. But all of us should be thankful that we have food reserves to meet either contingency if it arises. And all of us should be representing our food reserves for what they are—great assets—in these critical times. We should not be going about the country deploring them.

The great misfortune of the past 2 misspent years in the farm field is that there has been no constructive program to use our abundance. We still have undernourished people in the United States. We might have tackled the problem of growing surpluses from the small end of our horn of plenty—the end where it comes out to the consumer—instead of the big end, where the commodities pour in. We might have tackled the distributive machinery to eliminate the bottlenecks to consumption.

The present chairman of the Senate Agriculture Committee, the Senator from Vermont, is the author of a food-allotment plan, but there have been no hearings on it.

As the RECORD will show, I supported the Senator from Vermont in this plan. Several weeks before he discussed it on the floor of the Senate I made a speech in the Senate urging that a part of our surplus food be given to charitable institutions, which are supplying food to the needy, those who are unable to purchase food. I urged an enlargement of the food program for the benefit of undernourished children. I said that we ought to take advantage of the great

storehouse of surplus food to help improve the diet and nutrition of people who are living on a substandard diet.

The RECORD will show that in that speech I also came forward with what I considered to be, and still consider to be, a constructive suggestion, namely, that our State Department should recognize that our surplus food is one of the greatest weapons we have, one of the greatest national assets we have in the fight against world communism. I urged that it be used on the basis of a diplomatic exchange between our Government and countries in which thousands upon thousands of people are going hungry for want of the necessary minimum nutrition diet they ought to have.

We ought to use that food and attempt to enter into an agreement with those governments, whereby American businessmen would be afforded investment opportunities in backward areas, such opportunities to be paid for by way of surplus food, because for decades to come those people and those governments will not have the cash with which to pay for American investments.

In that speech I pointed out, and I repeat tonight, that the place where we shall have to beat Russian communism is on the economic front of the world. We shall not win the fight for freedom in a war. We shall fight a war if we are forced into it by attack by the Communist segment of the world. But I am sure we can avoid that if we keep ourselves sufficiently strong, so that the Communists will not dare attack us in a war, and if we demonstrate to the backward areas of the world our superiority over the Russian system.

But, Mr. President, we cannot "sell" those people on the idea of economic freedom, on the basis of empty stomachs. I have said many times in the past few years, in speaking in the Senate, and I repeat tonight, that Americans must wake up before it is too late, and must recognize that American foreign policy should be directed to the stomachs of millions of the people who must be won over to the side of freedom. But we are not doing that. Instead, we are scaring them almost to death by making them believe that what we stand for is the backing up of the colonialism of western powers and the economic exploitation of the backward areas of the world. We do not like to be told that, but it is true.

The fact is that in the sections of the world to which I allude, the Western Powers are feared because the millions of people there have been steeped with the propaganda that what we seek to do is exploit their economic resources. We have a tremendously effective weapon against Russian communism in Government bins filled with food and with grain; but we know that from 30 percent to 60 percent of it will, when it comes out of those bins, be unfit for consumption either by humans or by animals. That is the sorry record we are making with grain storage in the United States and with the storage of other foodstuffs in our Nation. Much of it is spoiling while it is in Government storage, and is being destroyed when it finally is removed from storage, because

at that time it is found to be unfit for either human or animal consumption.

Mr. President, we cannot square that performance with the Christianity we profess as a people, nor can we square it with the sound moral law we teach our children. We cannot square it with the very sound moral law—and, Mr. President, it is also a sound diplomatic rule—that we are our brother's keeper, and that we should keep faith with the Golden Rule.

Mr. President, those great spiritual teachings should be considered by us and applied by us in connection with all our activities, and should not be confined to meditation by us on the Sabbath. They are great spiritual teachings, and we should practice them. But we are not practicing them in the field of American foreign policy or in the handling of our surplus food.

Mr. President, I repeat that we cannot square the food program of this administration with the teachings of Christianity, because if we wish to follow those teachings, we must start to make use of the surplus food we have. We should use it for the benefit of some of our own people who lack the economic resources with which to buy adequate food supplies to keep their bodies in health, and we should also use great quantities of it in the fight against Russian communism abroad, in seeing to it that we trade such food for investment opportunities whereby American citizens can help develop the economic productive power of those countries, and also that we trade a goodly quantity of it for some good will. America sorely needs the good will of those backward areas of the world, since some of the "go-it-aloners" of this administration, some who have been threatening to follow a policy of walking out of the United Nations unless we can dictate our terms to the United Nations, some of those who have been advocating armed intervention in Asia, some of those who for the past several years have been testifying in favor of an all-out war in Asia—such persons within our country are causing in the minds of peoples in the backward areas of the world a tremendous fear of American foreign policy, because those people cannot square those suggestions with our altruistic professions. Neither, Mr. President, can they square the wasting by the Government of tens of thousands of tons of food a year with our claim that we seek only to work for peace in the world and only to better the lot of mankind, because they ask us the simple question, "Why don't you practice what you profess?"

So, Mr. President, I repeat that, in my judgment, Mr. Benson is completely wrong when he seeks to leave with the American people the impression that surplus food is a national liability. It happens to be one of the greatest national assets we have, and I shall not be a party to cutting down the so-called stockpile of surplus food in our country. I want us to have an adequate amount so as to be able to meet the possibilities I have mentioned in the course of this speech—the possibilities of either a need for such surplus food by our own people, in case of an extensive drought or in case of a war, or of making it available

in whatever amount may seem wise, to the people of other lands. We must make it available to them in time, before it spoils in Government bins. I urge that it should be thus used as a part of American foreign policy in the fight against Russian communism, for, in my judgment, it is by such a course of action that we shall win the fight for freedom and shall demonstrate to the people of the rest of the world, who will have to make a choice between freedom and communism, that if they join with us they really will have the best opportunity to improve their economic lot—which is what their struggle is about, Mr. President; let us not fool ourselves by thinking to the contrary.

After all, in many sections of the world the struggle is not over political ideologies. Millions of the people in various areas of the world are illiterate, and do not know what one means when he talks to them in terms of political philosophy. But they know what it means to have the tremendous infant death rate from which they suffer. Instinctively they know what it means when they see a child die because that child has not had sufficient food. They know what it means when they see millions of their fellow men die in their early thirties. As our medical profession points out to us and to them, they do not have normal longevity, because from the time of their birth until the time of their death they seldom have enough food to eat, with the result that millions of them finally die from malnutrition. These millions of people understand that; and the American people should not be surprised when, by word of mouth, it is told from hamlet to hamlet in those countries that we Americans waste, each year, tens of thousands of tons of food which we store, knowing that it is going to come out of the storage bins unfit for human consumption.

Mr. President, we do not get very far at the council tables of the world in urging that those people support freedom, when they know of our record of failing to square our alleged Christian principles with our practices.

Mr. President, I know these words are not kind words, but I do not mean them to be kind, because, in my judgment, the time has come, in connection with this issue, for some politicians to dare tell the American people the truth about our standing in the backward areas of the world. Tonight, Mr. President, it is not a good standing. In my judgment, this is one of many causes for the fact that we are not as well liked as we should be in many parts of the world, and for the fact that millions upon millions of people in the non-Communist areas of the world—I am not talking about the people behind the Iron Curtain, but I am talking about people on this side of the Iron Curtain—do not think as well of us as we think of ourselves. We had better think about that fact in terms of the obligations we owe to American boys and girls who are to follow us on the national scene.

I will not be a party to a program which seeks to turn the farmers' fields of America into an acreage for the growing of Republican scarecrows. I think the acreage of America ought to be used for

full production because, in my judgment, the world needs the full production of American farms, and America needs some statesmanship, some political courage, and some political brains to put that full production to good use in the fight against world communism.

In my opinion, there has been no investigation of the price spreads between farmer and consumer in this country, as there should have been during the course of the administration of Dwight Eisenhower. The spread widens every day, and yet the President supports a Secretary of Agriculture who talks in terms of an agricultural program of scarcity instead of abundance, and in terms of lessening production instead of full production.

I say, most respectfully, that the President ought to raise his sights; the President ought to come to an understanding of the meaning of the word "crusade"; he ought to take a position of world leadership in a crusade that seeks to benefit the welfare of the hungry in the world, who must be brought over to the side of freedom if we are to win the contest between freedom and communism.

And there has been no action on the proposal made by the Senator from Montana [Senator MURRAY] and several more of us, to establish an international food reserve and use our abundance to win the peace.

All three of these approaches to the farm problem are constructive, rather than restrictive and negative.

But the agricultural industry groups now in the ascendancy in agricultural affairs today are opposed to anything that might interfere in the slightest with their normal patterns of trade. And certainly they do not want anyone studying their growing price spreads, which are absorbing all the farmers' losses.

It is tragic that men are so short-sighted and have such short memories that they cannot remember the twenties and early thirties; that they cannot recall why the farm programs were instituted, or what lies back down the road they insist upon retracing.

More than a year ago, when Secretary Benson was just setting up his study groups and his advisory councils, I predicted in the Senate that deflation of the farmers would be a main objective of this administration.

I then read to the Senate from a report of the New York Clearing House Association, made up of the big New York banks, which came out under the title "The Federal Reserve Reexamined."

In that document, the New York bankers said, and I quote:

The major challenge . . . is the problem of resisting those influences tending to debase the value of money and combating them effectively whenever they are in the ascendant.

The study contained a seven-point listing of the major factors that the bankers thought should be combated.

These included rising Government expenditures for defense, expanding debt resulting from cheap money, mushroom growth of governmental credit agencies, the adoption of full employment as a major goal of economic policy, demands of labor for wage



increases exceeding productivity gains, and last, but not least, support of agricultural prices at a high parity level.

The big weakness of the bill that has been reported by the majority of the Agriculture Committee is that it extends 90-percent supports for the basics and raises dairy supports to 85 percent of parity, only for a short term.

I am not critical of the Senators who have reported such a compromise. I know they had political hurdles. But the sooner the Congress takes off the time limits and lets the speculators and processors know that they are going to have no bargain rates on farm products a few months ahead, the sooner disparities between support level and market price level will disappear.

The Secretary of Agriculture has talked a great deal about the fact that market prices of wheat and corn have gone under support level. Part of this is due to the known fact that the Secretary was crusading for lower supports. Part of this has been due to uncertainty about what Congress will do from year to year.

The sooner we serve notice that Congress is not going to yield to the pressures of the bankers and the agricultural industries who want to return to a wholly speculative market for farm products, the sooner firm price supports will work effectively again. We can always change the law if a new scheme for supports develops which will maintain farm returns, but until that day comes we would make the job much easier and supports more effective if we served notice that the level of support is going to remain at 90 percent, not for 1 year, as this bill proposes, but indefinitely, until changed by the Congress. This bill should strike a bolder blow, Mr. President, in defense of the farmers. I do not think it should have been limited to the 1-year extension.

There is a softness toward the processors and traders in this measure that I do not like.

I cannot understand why, in section 401 (b), it is necessary to give those engaged in canning or freezing grapefruit the right to veto a marketing order if the citrus growers want one, or why subsection (d) should provide for one or more representatives of processors in the membership of any agency selected to administer a marketing order applicable to grapefruit for canning or freezing. This gives the buyers of grapefruit from the producers an inside man or men on the marketing board.

The dairy title, at section 203 (c), provides that milk price support for the period ending August 31, 1956, may be provided through payments to the producers or processors.

I ask the simple question, Why? Why provide that it shall be through payments to the producers or processors? What do the producers or the processors have to do with congressional responsibility to the farmers? Why bring in the processors?

If payments are to be instituted—and I have favored testing this method of supports—they should be made to the dairy farmers direct by the Government. They should be made direct to

the producer; they should be made direct to the man and woman on the farm. Why bring in the processors?

In my judgment, when we bring in the processors we sell the producer short. We ought to be sure that 100 cents out of every dollar earmarked to aid the farmers will reach the farmers. That should be our goal, and we should write a law that will guarantee it.

We cannot be certain of that if we make plants payments, instead of producer payments. Neither are we certain of it where the Department of Agriculture purchases commodities to support the market. Last year we had a beef-purchase program. The Secretary of Agriculture contracted for canned beef and gravy for delivery in mid-December. I have had complaints that some packers with contracts for beef thereupon went bargain hunting in October and November, as was to be expected, rather than paying the price for cattle intended by the Government.

I respectfully submit, Mr. President, that that will happen every time there is written into the law such a provision as is contained in the dairy title, section 203 (c), to the effect, for example, that milk-price support for the period ending August 31, 1956, may be provided through payments to the producers or processors. We ought to put a period after "producers" and strike "processors."

We have never had a careful study of the extent to which purchases at the processor level assist the farmers, or of the efficiency of Government price support dollars spent in that way. It is time that we did. If we are going to continue to funnel agricultural funds to plants rather than farmers, we ought to know very positively how much of it actually reaches those for whom it was intended by the Congress.

No one will dispute my statement that we claim that our objective is to help the producer. We claim that our objective is to see to it that the farmer at the barn lot gets the benefit of the support, knowing full well that if we maintain his purchasing power all the others above him will profit thereby.

I have no hope that such a study will be made, any more than there is hope that this Congress will order an investigation of mounting processing and marketing costs which keep food prices so high.

The distinguished Senator from Iowa [Mr. GILLETTE] has been trying to win that battle for many months past, and he has not been able to get anywhere. There is no answer to the Senator from Iowa. The study on processing ought to be made, because there is no question that the mounting processing and marketing cost is one of the primary and major causes for the high food prices in the retail stores of America.

What we are in reality deciding in this debate on the farm bill is whether we shall hold the line in the fight for equity for the farm people of the Nation, and for a sound economy, or whether we will accept the policy of low supports advocated by those who farm the farmers—a policy that will deepen an already serious farm recession.

I am very glad to stand on my record in support of the 90-percent parity program. I am very glad to say not only to the farmers of my State, but to all the people of my State, that in my judgment I best represent them when I stand for a program that will best protect the economy as a whole. I will not forget the lessons I have learned about the direct relationship between the level of prosperity of the farm income and the level of prosperity of the rest of our people.

In my judgment, voting for flexible supports, as recommended by the Eisenhower administration, would be to vote for a serious farm recession in the next few years. I intend to vote for a continued level of farm prosperity by voting for the retention of 90 percent of parity. I said so during the campaign of 1952. The Republican candidate for President also said he was for 90 percent of parity or higher. I do not forget my campaign pledges. I do not walk out on my campaign pledges. I leave that act for the President of the United States now in the White House.

I ask unanimous consent to have printed in the RECORD at this point a resolution adopted by the Clackamas County Farmers Union, in favor of 90 percent price support on all farm products, together with the letter of transmittal signed by the secretary of the Farmers Union.

There being no objection, the resolution and letter were ordered to be printed in the RECORD, as follows:

SANDY, OREG., July 17, 1954.

Senator WAYNE MORSE,  
Washington, D. C.

DEAR SIR: Enclosed is a resolution approved by our farmers union to let you know how we stand on this issue.

Respectfully,

ALICE OLSON,  
Secretary.

Whereas it has been reported that a recent order of the Agriculture Department cuts the acreage allotment of wheat by 40 percent; and

Whereas rigid allotments are being made for other cereal grains; and

Whereas acreage so restricted will not be permitted in other remunerative crops; and

Whereas the administration seeks to reduce price supports below the 90 percent level; and

Whereas such a move would seem to reduce much farm income to 50 percent or less: Now, therefore, be it

Resolved, That Clackamas County Farmers Union go on record as favoring a 90 percent price support on all farm products; and be it further

Resolved, That copies of this resolution be sent to the Oregon State Farmers Union and to the National Farmers Union and to the Farmers Union lobbyist in Washington, D. C.

Presented by:

J. EARL RHOTEN,  
President, Marks Prairie Farmers  
Union.

Approved by Clackamas County Farmers Union at meeting of July 9, 1954.

WALTER HOUSER,  
President.

ALICE OLSON,  
Secretary.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a telegram sent to me by conservation organizations of my State in opposition to the stockmen's

grazing amendment, which is attached to the pending bill.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., August 5, 1954.

WAYNE MORSE,

Senate Office Building,

Washington, D. C.:

Practically all national conservation organizations still opposing amended version stockmen's grazing bill, S. 2548, and protest attaching measure affecting administration of 200 million acres of national forest and Bankhead-Jones lands as a mere rider on farm bill, S. 3052. Several State affiliates of National Wildlife Federation are strongly in opposition.

Forest Conservation Society of America, Spencer Smith, Secretary; Outdoor Writers Association of America, Michael Hudoba, Conservation Director; Izaak Walton League of America, William Voight, Jr., Executive Director; North American Wildlife Foundation, C. R. Gutermuth, Secretary; National Parks Association, Devereux Butcher, Editor; Sierra Club, Richard M. Leonard, Director; Sport Fishing Institute, R. W. Eschmeyer, Executive Vice President; Wilderness Society, Howard Zahniser, Executive Secretary; Wildlife Management Institute, Ira N. Gabrielson, President.

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a group of telegrams dealing with the bill under discussion.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

CLARKFIELD, MINN., July 22, 1954.

Senator EDWARD THYE,

Washington, D. C.:

Keep fighting for 90 percent supports. Thank you for your good work in the past.  
ORLEY MILLER.

HANLEY FALLS, MINN.

CLARKFIELD, MINN., July 22, 1954.

Senator EDWARD J. THYE,

Washington, D. C.:

Thank you for position taken in regard to 90 percent supports. Continue your firm stand.

WENDELL MILLER.

COTTONWOOD, MINN.

CLARKFIELD, MINN., July 22, 1954.

Senator EDWARD J. THYE,

Washington, D. C.:

Congratulations on your effort. Keep floor till 90 percent of parity is won.

M. C. WALLEM.

SPRINGFIELD, MINN., July 22, 1954.

Senator ED THYE,

Senate Office Building:

Commending you on stand for 90 percent of parity. Hope you continue for fairness to agriculture.

HUGO NACHREINER,

President, Brown County Farmers Union.

CLARKFIELD, MINN., July 22, 1954.

Senator EDWARD J. THYE:

Congratulations on your effort. Keep floor till 90 percent of parity is won.

JAMES STROUP.

CLARKFIELD, MINN., July 22, 1954.

Senator EDWARD J. THYE,

Washington, D. C.:

Congratulations on your effort. Keep floor till 90 percent of parity is won.

ERLING ANDERSON.

WILLMAR, MINN., July 23, 1954.

Senator ED THYE,

Washington, D. C.:

Appreciate your support of rigid price farm bill. Keep working.

CLINTON HAROLDSON.

RENVILLE, MINN.

RENVILLE, MINN., July 22, 1954.

Senator THYE,

United States Senate,

Washington, D. C.:

Congratulations on your work done on the farm program.

LEO DERKSEN,

Manager, Renville Farmers Elevator Co.

RUSSELL, MINN., July 22, 1954.

Hon. ED THYE,

United States Senate,

Washington, D. C.:

My congratulations on your stand on 90 percent supports. Continue the good work.  
HENRY ARNDT.

CLARKFIELD, MINN., July 22, 1954.

Senator EDWARD J. THYE,

Washington, D. C.:

Congratulations on your effort. Keep floor till 90 percent of parity is won.

BOYD LONG.

CLARKFIELD, MINN., July 22, 1954.

Senator EDWARD J. THYE,

Washington, D. C.:

Congratulations on your effort. Keep floor till 90 percent of parity is won.

HILMER APPLEWICK AND SONS.

CLARKFIELD, MINN., July 22, 1954.

Senator EDWARD J. THYE,

Washington, D. C.:

Congratulations on your effort. Keep floor till 90 percent of parity is won.

CURTIS JOHNSON.

CLARKFIELD, MINN., July 22, 1954.

Senator EDWARD J. THYE,

Washington, D. C.:

Hold floor until 90 percent of parity is won.

ADOLPH HARTFIET.

CLARKFIELD, MINN., July 22, 1954.

Senator EDWARD J. THYE,

Washington, D. C.:

Hold floor until 90 percent of parity is won.

JOHN REESE.

CLARKFIELD, MINN., July 22, 1954.

Senator EDWARD THYE,

Washington, D. C.:

Thanks for your bold fight for 90 percent supports. Keep up the good work until we win.

JEWELL HAALAND.

HANLEY FALLS, MINN.

CLARKFIELD, MINN., July 22, 1954.

Senator EDWARD J. THYE,

Washington, D. C.:

Thank you for your firm stand for 90 percent supports. Keep fighting.

HENRY BROUGHTEN.

COTTONWOOD, MINN.

REGENT, N. DAK., July 22, 1954.

Senator THYE,

Senate Office Building, Washington, D. C.:

Your wonderful support of the farm bill greatly appreciated. Thanks.

C. E. WOODRUFF, Jr.,

President, Hettinger County Farmers Union.

CLARKFIELD, MINN., July 22, 1954.

Senator EDWARD J. THYE,

Washington, D. C.:

Congratulations on your effort. Keep floor till 90 percent of parity is won.

JOHN EMBLEM.

BOYD, MINN.

RUSSELL, MINN., July 22, 1954.

Senator ED THYE,

United States Senate:

Accept our sincere congratulations and support on the fight you are making to uphold the 90 percent supports. May you continue fight. Bring victory to agriculture is our prayer. Thanks again.

FARMERS UNION ELEVATOR CO.

(By Its Board of Directors and Management).

RUSSELL, MINN., July 22, 1954.

Hon. EDWARD THYE,

United States Senate:

Accept our sincere thanks in the stand you are taking in regard to the 90 percent supports for agriculture. We trust your continued support will bring victory. Thanks again.

RUSSELL FARMERS UNION LOCAL,

LAURENCE KETEL, Secretary,

(On behalf of its 165 members and officers).

TAUNTON, MINN., July 23, 1954.

Senator EDWARD THYE,

United States Senate,

Washington, D. C.:

Keep up the good fight for 90 percent of parity for American agriculture.

GEORGE NOVAK.

TAUNTON, MINN., July 23, 1954.

Senator ED THYE,

United States Senate,

Washington, D. C.:

Keep up the good fight for 90 percent of parity for agriculture.

TAUNTON CO-OP ELEVATOR CO.

#### THE MARINE BAND ON TOUR

Mr. SALTONSTALL. Mr. President, on July 20, 1954, the Senator from New Mexico [Mr. ANDERSON] and the Senator from Delaware [Mr. WILLIAMS] brought up the subject of the United States Marine Band on tour. They made note of the fact that they had received several criticisms concerning the manner in which the band conducted its finances on tour.

As I stated at the time, the subject had been investigated by the Committee on Armed Services and we had had several full reports on it. I stated I would look into the subject again. Today I received a letter from Gen. Lemuel C. Shepherd, Jr., Commandant of the Marine Corps, dated July 28, 1954. He and I have discussed the subject on several occasions.

I ask unanimous consent that the letter, addressed to me as chairman of the Committee on Armed Services, be printed in the body of the RECORD at this point. The letter is in answer to some of the criticisms that have been made, and also states the policy of the Marine Corps in regard to tours of the Marine Band in the future.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE NAVY.

HEADQUARTERS, UNITED STATES

MARINE CORPS,

Washington, D. C., July 28, 1954.

Hon. LEVERETT SALTONSTALL,

Chairman, Committee on Armed Services,

United States Senate, Washington,

D. C.

MY DEAR MR. CHAIRMAN: Pursuant to our recent conversation concerning the annual concert tours of the United States Marine Band, I am writing to inform you of certain



conclusions and actions which have resulted from a careful consideration of the subject by my headquarters for the past several months. As you know, these annual tours by the Marine Band have been the subject of inquiry by several different agencies. In addition the manner in which the tours have been conducted in the past were the subject of criticism on the floor of the Senate during the proceedings of that body on Monday, July 12, 1954.

As a result of the foregoing, certain aspects of the subject stand forth. As below indicated, specific action has been taken with regard to future tours. In addition to this, other courses of action have been considered which are germane to the subject at hand.

One primary area of consideration has been the practice of engaging a civilian professional tour manager for the conduct of the Marine Band tours. It should be noted that the contract between the tour manager and the leader of the band is expressly designed to accomplish two things: (1) to insure that the best interests of the Marine Corps and the band are protected throughout and (2) to insure compliance on the part of the tour manager with all existing regulations, policies, and legal requirements which govern these annual tours.

The practice of employing a civilian tour manager is predicated upon the fact that these tours are conducted at no expense to the Government. Careful consideration has been given to the suggestion that the tours be arranged for and managed by Marine Corps personnel. This is not considered practicable if the tours are to be made at no expense to the Government. First of all, no official or representative of the Marine Corps could enter into contracts or agreements with civilian organizations. Neither could the Marine Corps itself assume the financial risk inherent in the tours. It is not possible, moreover, to so adequately predict the actual cost of a given tour to the extent that it could be prepaid by the individual local concert sponsors.

Beyond this consideration lies the purely professional problem of experience and trained personnel. The civilian tour manager who handles the tours employs a limited staff of experienced representatives and office assistants who, together with the manager, devote their full time on a year-round basis to the tours. The Marine Corps does not have personnel for assignment to such duty from the standpoint of experience or training and from the standpoint of availability of personnel. I consider that both the best interests of the Marine Corps and the civic or charitable organizations who sponsor the concerts of the band are best served by the present method of tour management. It should be noted that as a result of the present method of conducting the concert tours, each year civic and charitable organizations are benefited to the extent of many thousands of dollars. For example, during the last 3 years local organizations who have sponsored appearances of the band have reported clearing in excess of \$185,000. This figure does not include approximately 35 sponsors who failed to comply with requests for final reports. In nearly all these latter cases, the best indications available point to fair to substantial profits in each instance. While it is difficult to measure the value of the excellent community relations engendered by the band's annual tour, there are literally hundreds of letters in the files of the band office from sponsors in various cities pointing out the excellent spirit and enthusiasm with which the band was received. Further, these letters point out the prestige that accrues to the Marine Corps as a whole from the tours.

Reports from recruiting stations indicate that appearances by the band have a very helpful and practical effect in the procurement of personnel.

The tour manager has always been required in terms of his basic contract to conduct himself in accordance with the highest business ethics and in such a way as to reflect credit on the Marine Corps. I sincerely believe that the tour manager of recent years has honestly endeavored to carry out the spirit of this requirement.

Notwithstanding the foregoing, the terms of the annual contract between the leader of the band and the civilian tour manager have been altered in order to expressly authorize and provide that the manager be required to make equitable adjustment with local sponsors when a shortage of ticket sales results in a sponsor not being able to meet his expenses. This provision reflects the fact that while it is undoubtedly desirable that the tour be conducted on a sound business basis, the primary interest of the Marine Corps lies in promoting good public relations and that this interest must be paramount. It should be noted that to relieve a sponsor completely of responsibility for failure to meet the terms of his agreement would remove incentive for his effort. This in turn would not only be a potential cause of financial loss on concert tours but would, in addition, lessen the value to the Marine Corps of such tours. It has been amply demonstrated in the past that where concerts by major service bands are presented to the public free of charge with costs defrayed by the Government, interest and attendance are almost always less than in the case where admission is charged and an interested local organization is back of the event.

Another area explored in the aforementioned inquiries has been the right of musicians in the Marine Band to receive remuneration for their services while on concert tour. The legislative and legal bases for this practice have been repeatedly affirmed, although the practice in itself has been the subject of some criticism.

The legislative history of the authority for the Marine Band to receive remuneration reveals that it is based upon a single consideration. The professional excellence and prestige of the Marine Band rests solidly upon the quality and abilities of the leader of the band and its members. To a large extent the traditional provision for remuneration from annual concert tours has enabled the Marine Corps to maintain in its band's membership musicians of a caliber that could not otherwise be initially attracted to the band or induced to remain in it. To now deprive the career musicians of the band of a statutory benefit upon which they have relied over the years and which provides a valuable feature for procurement of new talent will obviously jeopardize the present morale and have a far-reaching effect upon the future of the band.

One aspect of this privilege has come under most particular scrutiny. I refer to the position of the leader of the band. In recent years the officer designated as leader of the Marine Band has been assigned such additional duty and responsibilities as to warrant his promotion to the rank of lieutenant colonel. This rank is considered completely justified and is commensurate with that of officers holding similar positions in other major service bands. It has augmented both the income and prestige of the officer concerned. It is considered, therefore, that the position of the leader of the band with relation to extra remuneration realized from band tours has been altered. In this regard specific action is contemplated. In future

tours by the band the leader will receive only such moneys in amounts as represent reasonable expenses for his rank and position. I wish to emphasize that this decision was one which I reached with reluctance. In all fairness to the present leader of the band, it should be pointed out that his services have always been outstanding as reflected by his contributions to the band and to the Marine Corps as a whole.

I have just furnished to the Secretary of the Navy a detailed report covering the tours conducted during 3 previous years with special attention to certain engagements as requested of the Secretary by you. I wish to point out at this time that much criticism appears to be based on misunderstanding and lack of information. Regardless, I am confident that the specific actions which I have outlined above will effectively preclude any recurrence of an incident which could in any way reflect upon the Marine Corps. I trust that the foregoing will merit the approval and satisfaction of the committee.

Sincerely yours,

LEMUEL C. SHEPHERD, JR.,  
General, United States Marine Corps,  
Commandant of the Marine Corps.

#### ADDITIONAL REPORTS OF COMMITTEES

The following additional reports of committees were submitted:

By Mr. WATKINS, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 6451. A bill to provide for the conveyance of certain public lands in Utah to the occupants of the land (Rept. No. 2325).

By Mr. DWORSHAK, from the Committee on Interior and Insular Affairs, without amendment:

S. 3816. A bill to authorize the replacement of certain Government-owned utility facilities at Glacier National Park, Mont., and Grand Canyon National Park, Ariz. (Rept. No. 2329); and

H. R. 9194. A bill to provide for the conveyance of certain land owned by the Federal Government near Vicksburg, Miss., to Vicksburg, Miss. (Rept. No. 2330).

By Mr. MILLIKIN, from the Committee on Finance, with amendments:

H. R. 10009. A bill to provide for the review of customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, to repeal or amend obsolete provisions of the customs laws, and for other purposes (Rept. No. 2326).

By Mr. WILEY, from the Committee on Foreign Relations, without amendment:

H. J. Res. 565. Joint resolution to amend the joint resolution providing for the membership of the United States in the Pan American Institute of Geography and History and authorize appropriations therefor (Rept. No. 2327).

#### PRO RATA SHARING OF CERTAIN FOREIGN CLAIMS—REPORT OF A COMMITTEE

Mr. WILEY. Mr. President, from the Committee on Foreign Relations, I report an original bill to provide for a reciprocal and more effective remedy for certain claims arising out of the acts of military personnel and to authorize the pro rata sharing of the cost of such claims with foreign nations, and for oth-

er purposes, and I submit a report (No. 2324) thereon.

The PRESIDING OFFICER. The report will be received, and the bill will be placed on the calendar.

The bill (S. 3844) to provide for a reciprocal and more effective remedy for certain claims arising out of the acts of military personnel and to authorize the pro rata sharing of the cost of such claims with foreign nations, and for other purposes, reported by Mr. WILEY from the Committee on Foreign Relations, was read twice by its title and placed on the calendar.

#### EXTENSION OF GREETINGS TO THE GOLD COAST AND NIGERIA—REPORT OF A COMMITTEE

Mr. WILEY. Mr. President, from the Committee on Foreign Relations, I report an original joint resolution to extend greetings to the Gold Coast and Nigeria, and I submit a report (No. 2328) thereon.

The PRESIDING OFFICER. The report will be received, and the joint resolution will be placed on the calendar.

The joint resolution (S. J. Res. 183) to extend greetings to the Gold Coast and Nigeria, reported by Mr. WILEY from the Committee on Foreign Relations, was read twice by its title and placed on the calendar.

#### ADDITIONAL BILL AND JOINT RESOLUTIONS INTRODUCED

A bill and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY:

S. 3844. A bill to provide for a reciprocal and more effective remedy for certain claims arising out of the acts of military personnel and to authorize the pro rata sharing of the cost of such claims with foreign nations, and for other purposes; placed on the calendar.

(See the remarks by Mr. WILEY when he reported the above bill from the Committee on Foreign Relations, which appear under a separate heading.)

By Mr. MAGNUSON (for himself, Mr. HENNINGS, Mr. GREEN, Mr. MANSFIELD, Mr. MURRAY, Mr. GORE, Mr. MORSE, Mr. LEHMAN, Mr. KILGORE, Mr. JACKSON, and Mr. GILLETTE):

S. J. Res. 182. Joint resolution to provide for the creation of a Commission on Security in Government and Industry; to the Committee on the Judiciary.

(See the remarks of Mr. MAGNUSON when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. WILEY:

S. J. Res. 183. Joint resolution to extend greetings to the Gold Coast and Nigeria; placed on the calendar.

(See the remarks of Mr. WILEY when he reported the above joint resolution from the Committee on Foreign Relations, which appear under a separate heading.)

#### COMMISSION ON SECURITY IN GOVERNMENT AND INDUSTRY

Mr. MAGNUSON. Mr. President, on behalf of myself, the Senator from Mis-

souri [Mr. HENNINGS], the Senator from Rhode Island [Mr. GREEN], the junior Senator from Montana [Mr. MANSFIELD], the senior Senator from Montana [Mr. MURRAY], the Senator from Tennessee [Mr. GORE], the Senator from Oregon [Mr. MORSE], the Senator from New York [Mr. LEHMAN], the Senator from West Virginia [Mr. KILGORE], my colleague the junior Senator from Washington [Mr. JACKSON], and the Senator from Iowa [Mr. GILLETTE], I introduce for appropriate reference a joint resolution to provide for the creation of a Commission on Security in Government and Industry. I ask unanimous consent that the joint resolution, together with a statement by me explaining the need for such a Commission, be printed in the RECORD.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution and statement will be printed in the RECORD, as requested by the Senator from Washington.

The joint resolution (S. J. Res. 182) to provide for the creation of a Commission on Security in Government and Industry, introduced by Mr. MAGNUSON (for himself and other Senators), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

*Resolved, etc.,* That (a) there is hereby established a Commission to be known as the "Commission on Security", hereinafter referred to as the "Commission." The Commission shall be composed of 12 members, appointed by the President of the United States, one of whom, so designated by him, shall be Chairman of the Commission. The President shall select his appointees in equal number from outstanding leaders in labor, business management, and the general public.

(b) There shall be appointed, in addition to the members provided in subsection (a) of this section, 6 advisory members, who are Members of the 83d Congress, 3 of whom shall be appointed by the President of the Senate and 3 of whom shall be appointed by the Speaker of the House. Advisory members shall have all the rights and privileges of other members of the Commission, except that they shall not have the right to vote upon matters before the Commission.

(c) The members of the Commission shall serve without pay but shall be entitled to \$25 per diem in lieu of subsistence while attending meetings of the Commission away from their homes, together with transportation costs and other expenses incidental to attendance upon such meetings.

(d) The expenses of the Commission, which shall not exceed \$50,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the Chairman of the Commission. Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of the disbursements so made.

SEC. 2. It shall be the duty of the Commission (1) to study the prevailing practices and conditions in all branches of government and industry in the United States

pertaining to security from sabotage, espionage, and other activities designed to injure the interests of the American people, the United States Government, the efficient function of the industry, and the good relationship between labor and management; (2) to report its findings on or before January 15, 1955, to the President, the President of the Senate, and the Speaker of the House of Representatives; and (3) to recommend such administrative procedures and legislation as the Commission shall deem necessary upon an analysis of its findings and in consideration of the existing internal and external danger to the security of the United States.

SEC. 3. The Commission shall terminate upon the filing of its report as provided in section 2.

The statement presented by Mr. MAGNUSON is as follows:

#### STATEMENT BY SENATOR MAGNUSON

The resolution I am introducing today in behalf of myself and other Senators is quite similar to a resolution reported July 19 by the House Judiciary Committee—House Joint Resolution 527.

House Joint Resolution 527 differs in that it creates a Commission on Security in Industry only. The House measure does not extend jurisdiction to government.

The resolution I am introducing broadens the scope of the Commission's responsibility. I believe this is proper and necessary because in this day activities in government and industry are so closely intertwined as to be almost inseparable.

The House committee has the following to say about its resolution:

"The purpose of this resolution, as amended, is to establish a temporary public commission entrusted with the task to study practices and conditions in all branches of industry in the United States, as they pertain to security from sabotage, espionage, Communist infiltration, and other activities designed to injure the interest of the United States; and to recommend such legislation as the Commission would deem necessary in the light of its findings and in consideration of the existing danger to the security of the United States."

As stated earlier, we propose to merely expand the jurisdiction of the Commission, giving it authority and responsibility to study security programs in government with a view to eliminating overlapping duplication, but at the same time strengthening such programs.

Mr. President, "security" is a word on everyone's lips these days. It is a word that is spoken too glibly by too many. This is a dangerous time for our country and "security" is not a word that should be bandied about lightly.

Yet it is sad, but true, that security has not been given enough clear thought and honest action. Some have tried to use the security issue not against our real enemy, but against their particular political opponents. And some have failed to think through the problem of how to conduct security programs in such a way as to protect the very rights of the individual that would be taken away by a triumphant enemy.

Even among Government agencies, no clear pattern exists for a security program. Instead there is a crazy-quilt patchwork that has been built in a hurry, clearly showing that not enough care has been taken to avoid duplication. Identical personnel locations and activities are subjected to security screenings by more than one Government agency. This duplication is not only wasteful and exasperating, but can be dangerous. It does not safeguard us—it ties our hands with redtape.



Even where duplication exists within an area of screening, other parts of the area, the same area, may not be covered at all. Time and effort are wasted in duplicate screening, while other areas are neglected.

In addition, there is evidence that some Government agencies, designed to help protect us from foreign dictators, are operated without proper regard for due process of law and other rights which are considered basic to our tradition. Not only must wasteful duplication be avoided, but freedoms and due process must apply to Government activities in the security field, too.

A recent example, showing the need for a security commission study and report, is the so-called security program proposed by the Federal Communications Commission.

Docket No. 11061 of the FCC proposes to launch a program that in some respects duplicates security programs that have been in effect for many years. In another phase of the program, the FCC proposes to screen what amounts to less than 10 percent of the people in yet unscreened fields. While doing this, the FCC also proposes to extend the security program to persons and activities that in no way, shape, or form can be considered sensitive activities, and to persons not even in defense industry or communications.

The FCC proposes to screen over 600,000 holders of commercial radio licenses and permits for security purposes, whether these persons are engaged in sensitive areas or not.

Of these license holders, many that are engaged in sensitive or security-covered work, are already screened thoroughly. Take the example of the ship radio officers who are already screened by the United States Coast Guard under the terms of the Waterfront Security Act I introduced in 1950.

What need is there for the FCC to barge into a field already preempted by the Coast Guard under Presidential directive? That sort of thing is not only wasteful duplication, but holds the threat of being worse—disruption of an established security system.

Other FCC license holders are similarly screened by the agencies already active in their own field. In each of the activities involving a license holder, numerous other persons working with him, with the same amount of access to equipment, premises, and information that could be used to injure the Nation, are screened. But the FCC proposes to screen only the license holder as a proper approach to security. The license holder is 1 man in 10, therefore the FCC proposes to screen but 10 percent of the people in these areas.

This would leave vulnerable points in our Nation's armor unprotected, though, on the surface, it might seem to be a comprehensive program.

I mention the FCC proposal, as outlined in docket 11061, because I think it demonstrates the need for greater coordination between and among Government agencies in security matters—and because I think it

is symptomatic of what a security commission will find as it proceeds with its study and analysis under this resolution.

Mr. President, security is not something to trifle with. We must protect ourselves, our rights, our traditions, and our form of government against either internal or external aggression. I point out, however, that any security program must likewise protect the very liberties it seeks to preserve.

Among other things, this means that provision must be made for appeal and clearance of the innocent as well as detection and prosecution of the guilty.

We, therefore, are offering this measure which proposes a Hoover Commission approach to the security problem—in both industry and government. It will make available the experience of men most capable of giving the Nation a workable, coordinated security program, with proper safeguards for individual rights and liberties.

As I said earlier, the measure—if adopted—will create a commission to study, to analyze, and then to recommend to the Executive and the Congress a coordinated program for security screening of persons engaged in activities necessary to our defense; to eliminate duplication, conflict, and inadequacies of existing programs; to correct abuses—if there be any—against individual rights—all to the end that the people may be safe from enemies—whether domestic or foreign—without the sacrifice, or abuse, or destruction of individual rights.

#### ADDITIONAL EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following additional favorable reports were submitted:

By Mr. WILEY, from the Committee on Foreign Relations:

Executive D, 83d Congress, 2d session. A convention with Japan relating to taxes on income (Ex. Rept. No. 6);

Executive E, 83d Congress, 2d session. A convention with Japan relating to taxes on estates, inheritances, and gifts (Ex. Rept. No. 6); and

Executive H, 83d Congress, 2d session. A supplementary protocol with the United Kingdom of Great Britain and Northern Ireland relating to taxes on income (Ex. Rept. No. 6).

#### RECESS TO 10 A. M. TOMORROW

Mr. SALTONSTALL. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 8 o'clock and 36 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Saturday, August 7, 1954, at 10 o'clock a. m.

#### NOMINATIONS

Executive nominations received by the Senate August 6 (legislative day of August 5), 1954:

##### ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The following-named persons to be members of the Advisory Board of the St. Lawrence Seaway Development Corporation:

John C. Beukema, of Michigan.  
Harry C. Brockel, of Wisconsin.  
Edward J. Noble, of Connecticut.  
Kenneth Merle Lloyd, of Ohio.  
Hugh Moore, of Pennsylvania.

##### UNITED STATES MARSHAL

William C. Littlefield, of Georgia, to be United States marshal for the northern district of Georgia, vice Joe B. Harrison, resigning.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate August 6 (legislative day of August 5), 1954:

##### FEDERAL RESERVE SYSTEM

C. Canby Balderston, of Pennsylvania, to be a member of the Board of Governors of the Federal Reserve System for the remainder of the term of 14 years from February 1, 1952.

##### HOME LOAN BANK BOARD

Ira A. Dixon, of Indiana, to be a member of the Home Loan Bank Board for a term of 4 years, expiring June 30, 1958.

##### FOREIGN CLAIMS SETTLEMENT COMMISSION

The following-named persons to be members of the Foreign Claims Settlement Commission:

Whitney Gilliland, of Iowa.  
Henry J. Clay, of New York.

##### UNITED STATES DISTRICT JUDGES

Cale J. Holder, of Indiana, to be United States district judge for the southern district of Indiana; new position.

Hon. W. Lynn Parkinson, of Indiana, to be United States district judge for the northern district of Indiana; new position.

Joe McDonald Ingraham, of Texas, to be United States district judge for the southern district of Texas.

##### CIRCUITS, TERRITORY OF HAWAII

Harry R. Hewitt, of Hawaii, to be fifth judge, first circuit, circuit courts, Territory of Hawaii.

##### UNITED STATES ATTORNEY

Louis B. Blissard, of Hawaii, to be United States attorney for the district of Hawaii.

##### COMPTROLLER OF CUSTOMS

Lorene W. Bowlius, of Maryland, to be comptroller of customs with headquarters at Baltimore, Md.

##### COLLECTOR OF CUSTOMS

Frank Peska, of Illinois, to be collector of customs for customs collection district No. 39, with headquarters at Chicago, Ill.

## EXTENSIONS OF REMARKS

### Proposals To Amend the Constitution of the United States

#### EXTENSION OF REMARKS OF

HON. THOMAS C. HENNINGS, JR.

OF MISSOURI

IN THE SENATE OF THE UNITED STATES  
Friday, August 6, 1954

Mr. HENNINGS. Mr. President, I ask unanimous consent to have printed in the RECORD a statement which I made with relation to certain constitutional

amendments which were proposed; and also to have printed thereafter an article from the New Yorker magazine, written by Richard H. Rovere; and also to have printed an article entitled "Congress Has 107 Proposals To Amend the Constitution," written by Tom Yarbrough, staff correspondent of the Post-Dispatch, St. Louis, Mo., written on May 29, 1954.

Mr. HENNINGS subsequently said: Mr. President, last Friday I asked and received unanimous consent to have inserted in the RECORD an article from the New Yorker magazine with relation to certain proposed amendments

to the Constitution. At that time I did not have an estimate from the Public Printer. I am now advised that the cost will be \$233.75 for 2 3/4 pages. This is a worthwhile article which I believe will be of interest to all of my colleagues, and I ask unanimous consent to insert it in the Appendix.

There being no objection, the statement and articles were ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR HENNINGS

No Member of this body, I am sure, is unaware of the fact that in this 83d Congress we have been confronted with a spate of